

TOWN OF WESTPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2006



For the Fiscal Year Ended June 30, 2006

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Introductory Section

December 26, 2006

Honorable Gordon F. Joseloff, First Selectman
Shelly A. Kassen, Selectman
Robert F. Lasprogato, Selectman
Members of the Representative Town Meeting
Members of the Board of Finance
Citizens of the Town of Westport, Connecticut

State law requires that all general purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Town of Westport, Connecticut’s financial statements for the year ended June 30, 2006. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is intended to complement this letter and should be read in conjunction with it.

Profile of the Government

The Town, incorporated in 1835, located in southwestern Connecticut, is annexed from Fairfield on the east, Weston on the north, and Norwalk on the west. The Town of Westport occupies approximately 22 square miles, located in Fairfield County, with a 2000 Census population of

25,749. The Town is empowered to levy a property tax on both real and personal properties located within its boundaries.

The Town operates under and is governed by the laws of the State of Connecticut and its own charter which was adopted by the State Legislature in 1957. The Charter provides for a Board of Selectmen - Representative Town Meeting form of government. The First Selectman/woman, elected to a four-year term, is the chief executive officer of the Town. The First Selectman is responsible for carrying out the policies and ordinances of the Representative Town Meeting (RTM), for overseeing the day-to-day operations of the Town and appointing the heads of various departments and commissions. The RTM, which acts as the Town's policy making and legislative body, consists of thirty six (36) members elected to two-year terms. The RTM is responsible for passing ordinances, adopting the budget, ratifying labor agreements, bonding authorizations and supplemental appropriations. The last election in the Town occurred in November 2005. A major revision to the Town's Charter was presented and approved by the voters in November 2000.

The Town provides a full range of services to its citizens. These include: police and fire protection; construction and maintenance of streets and other infrastructure; sewer and sanitation; education; library; public works (highways, streets, waste disposal, engineering and infrastructure maintenance); parks and recreation (parks, beaches, golf course and tennis courts); cultural events, senior services and organizations; health and welfare; and general administrative services.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit revenue estimates and requests for appropriations to the Finance Director. The Finance Director, First Selectman, and budget requesting agency review these requests and develop a budget which, along with the Board of Education budget, will be presented to the Board of Finance. The Board of Finance, with at least one public hearing, will review the requested budgets and make any reductions they deem advisable. The Board of Finance will hold at least one public meeting prior to adopting a recommended budget which will be submitted to the Representative Town Meeting. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). All budgetary transfers are submitted to the Board of Finance for approval. The Board of Finance may grant additional appropriations to departments up to an accumulated total of \$20,000 per fiscal year; Representative Town Meeting approval is required for departmental appropriations in excess of \$20,000. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 18 and 61-65 as a part of the basic financial statements for the governmental funds. For the sewer operating fund, a major fund with an appropriated annual budget, this comparison is included on pages 19 and 80.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local Economy. Westport was once an artist colony. Now it has among its residents many in other fields of the arts as well – theater, publishing, television. Although it is a community with almost no industry, there are several corporate headquarters, many consulting, marketing, promotional, investment firms, commercial designers and graphic artists. While Westport is often thought of as a commuter community, increasingly its residents work in the area as corporations have moved into Fairfield County. The Town unemployment rate, based on the Connecticut Department of Labor, as of June 30, 2006 was 3.4% compared to Fairfield county and the State respectively of 4.0% and 4.4%. Bureau of Census data for the 2000 census identifies Median Family Income in Westport of \$152,894. In addition, residential housing values within the Town have risen by 48.2% from the 1990 census data from \$422,400 to \$625,800 based on U.S. Bureau of the Census data.

Long-Term Financial Planning. As a part of the annual budget process, the First Selectman prepares and presents a five year capital plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next five years. The current five year capital plan projects needs through fiscal year 2010. The plan provides for the needs not only of the general government but also the Board of Education and addresses such issues as infrastructure, major equipment replacement, educational facilities, public safety, recreation and open space. This plan projects total project costs over the five year period of approximately \$68,417,000. Financing, net of state and federal project grants, for these projects by debt issuance approximates \$48,067,000, while an additional \$15,220,000 is scheduled to be funded through annual appropriation in the General Fund, Sewer Fund user fees or Capital and Non-Recurring Fund. Bonding, net of grants, for the renovation and update of the Water Pollution Control Facility in the amount of \$29,700,000 to meet the DEP and EPA requirements is planned over the next two (2) years. The renovation phase of the project began in 2005 and is anticipated to be complete during fiscal year 2008.

Other major projects to be bonded, net of grants, in the plan include: completion of high school renovations (\$2,000,000), Saugatuck Shores, Ridgewood Lane sewers (\$6,000,000), recreational facilities improvement (\$5,100,000) and various sewer, public safety and land acquisition projects.

The financial impact of these initiatives is reviewed by the Board of Finance, Representative Town Meeting and management on an ongoing basis through the use of a Budget Planning Model. The model is used to project the tax consequences associated with funding the annual budget projections and capital expenditures over a ten year period. The model enables Town administration and the general public to view various scenarios for projecting the impact of operating expenditures and capital projects by utilizing various budgetary assumptions which include debt service, projected annual growth in operating revenues and expenditures, use of undesignated fund balance, tax collection rates and grand list growth.

Risk Management. The Town's risk management objective is to provide a safe environment for both employees and members of the public who utilize the services and facilities of the Town. Various insurance carriers cover major risks, and an outside professional continually reviews risks and coverages. All insurance coverages are adjusted accordingly based on this review of risk. Ongoing efforts are directed at preventing accidents and controlling exposure and financial loss by use of outside safety consultants to review losses and develop safety programs and facilities inspection analyses for the Town safety committees.

The Town has a self-insured workers compensation insurance program through the Connecticut Interlocal Risk Management Agency (CIRMA) with stop-loss coverage for claims in excess of the determined aggregate limits; the Town is fully reserved for loss within the stop loss limits. CIRMA is a nonprofit, tax-exempt association of Connecticut municipalities and local public agencies. Its purpose is to establish and administer an interlocal risk management program pursuant to the Connecticut General Statutes.

The Town is fully insured through commercial insurance companies for various risks of loss related to property damage and liability with minor funded deductibles.

The Town and Board of Education are self-insured for employee health claims through two Medical Self-Insurance Funds. The Town and Board of Education also purchase stop-loss coverage for health claims in excess of determined individual and aggregate limits.

Pension and Post Employment Benefits. The Town has five (5) contributory pension plans covering substantially all employees who work over 20 hours per week, except teachers. The teachers participate in a contributory retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education does not contribute to the plan.

The total pension payments to retirees, widows and beneficiaries for 2005-2006 was \$6,200,202. In addition the Town pays approximately \$39,210 of pay-as-you-go pension payments to five (5) retirees, under a retirement program established prior to the current funded programs. Participation in this program is no longer available.

As of June 30, 2006, the fair market value of the Master Trust for assets in these five (5) pension funds was \$170,195,737, an increase of \$5,405,239 or 3.3%. Income, including unrealized gains, from investments for 2005-2006 was \$9,581,016 or an approximate 5.72% rate of return.

The investment of each of the five Pension Trust funds is carried out by the "Investment Committee" (consisting of the Chair of the Board of Finance, the Finance Director and a third person chosen by the two and approved by each pension board of the various pension funds). The Investment Committee makes investment decisions based on the guidelines of the investment policy established by the pension board of each of the pension funds.

The pension boards have adopted an investment policy, which allocates up to fifty-five percent (55%) of fund assets to equities with the balance invested in fixed income securities and cash equivalents. For a description of the Town's Pension Plan, see Note 11 of the basic financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westport for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the fifth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. I would like to express my appreciation to all the members of the Department who assisted and contributed to its preparation and our auditors McGladrey & Pullen, LLP. I would also like to thank the Board of Selectmen, Board of Finance and the Representative Town Meeting for their interest and support in planning and conducting the financial operations of the Town in a fiscally responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald J. Miklus". The signature is fluid and cursive, with the first name "Donald" and last name "Miklus" clearly distinguishable.

Donald J. Miklus
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Westport
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



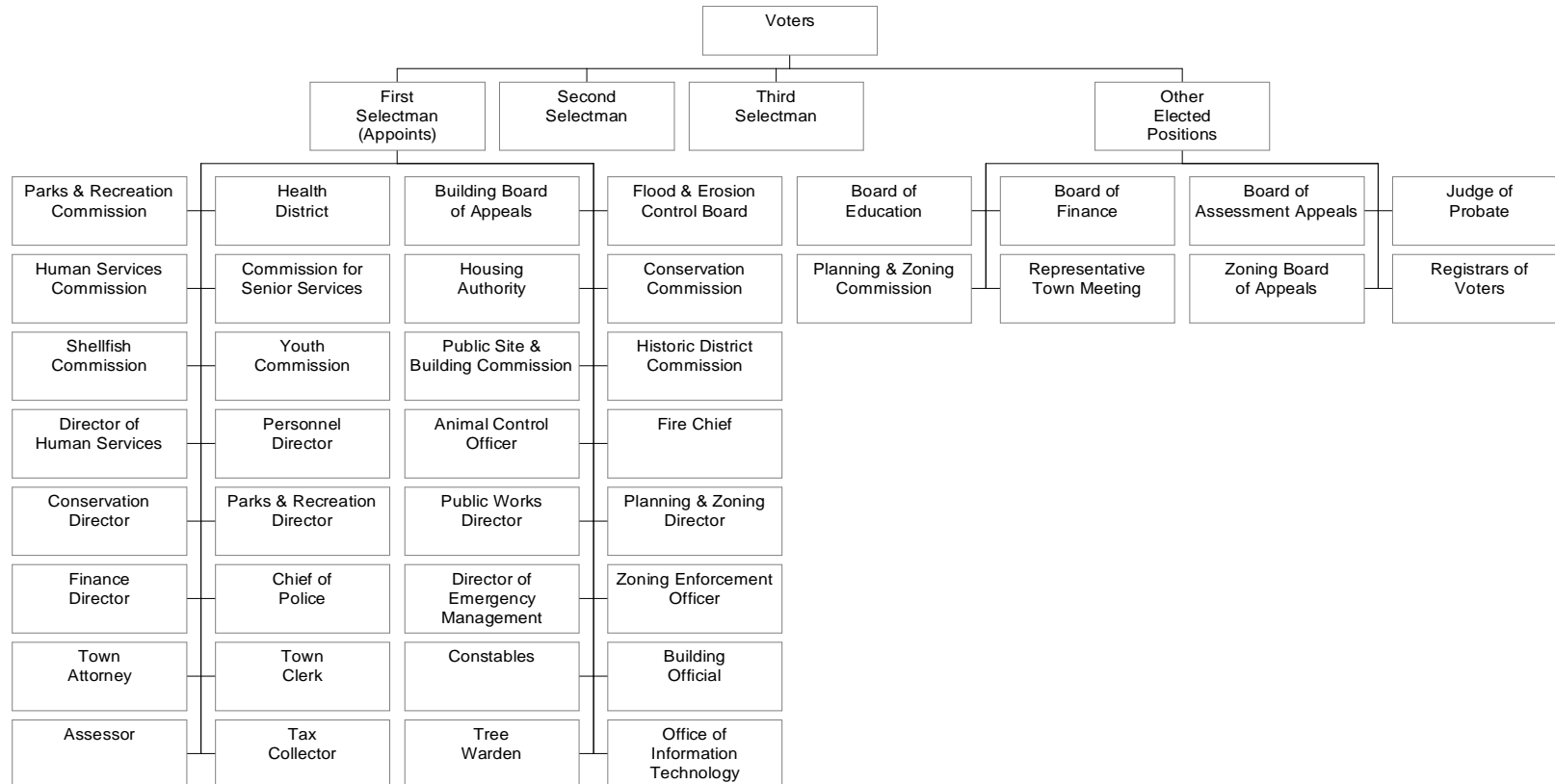
A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Town of Westport, Connecticut



TOWN OF WESTPORT, CONNECTICUT

PRINCIPAL TOWN OFFICIALS

As of June 30, 2006

First Selectman.....	Gordon F. Joseloff
Selectwoman	Shelly A. Kassen
Selectman	Robert F. Lasprograto
Chair, Board of Finance	Jeffrey A. Mayer
Finance Director.....	Donald J. Miklus
Superintendent of Schools	Elliott Landon
Director of Public Works	Stephen Edwards
Fire Chief	Christopher G. Ackley
Police Chief.....	Alfred R. Fiore
Director of Parks & Recreation.....	Stuart S. McCarthy
Town Attorney	Ira W. Bloom

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Honorable First Selectwoman and
Members of the Board of Finance
Town of Westport, Connecticut

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of and for the year ended June 30, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Westport's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Investment Fund of the Westport Library Association, Inc., a component unit of the Town, which financial statements reflect total assets of \$3,198,465 and total revenues of \$5,294,923 of the component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the financial statements, insofar as it relates to amounts included for the Investment Fund of the Westport Library Association, Inc., a discretely presented component unit of the Town, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Investment Fund of the Westport Library Association, Inc. were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Westport, Connecticut, as of June 30, 2006, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Sewer Operating Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated November 22, 2006 on our consideration of the Town of Westport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis on pages 3 through 12 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital asset schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
November 22, 2006

TOWN OF WESTPORT, CONNECTICUT
Management's Discussion and Analysis
June 30, 2006
(In Thousands)

As management of the Town of Westport, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report as well as the Town's basic financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights – Primary Government

The Town's net assets increased as a result of this year's operations. The assets of the Town of Westport exceeded its liabilities at the close of the most recent fiscal year by \$189,104 (net assets). Of this amount, \$43,258 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's total net assets increased by \$14,264. As of the close of the current fiscal year, the Town of Westport's governmental funds reported combined ending fund balances of \$23,566. Management has committed to the electorate the maintenance of a minimum undesignated fund balance equal to 5% of the annual budget.

As of the end of the current fiscal year, unreserved/undesignated fund balance for the General Fund was \$11,890, a decrease of 7.6% from the prior year. The key factor to this decrease is usage of \$3,000 fund balance in the fiscal year 2006-2007 budget. This unreserved/undesignated fund balance at June 30, 2006 is approximately 8.1% of general fund expenditures.

The Town's total bonded debt increased by \$1,435 during the current fiscal year due to issuance of bonds in the amount of \$11,705 to finance capital projects less scheduled amortization of \$10,270.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, solid waste disposal, human services, cultural and recreation activities. Although the Town maintains no business-type activities, the Town does maintain three internal service funds which consist of the Town Health Insurance Fund, the Board of Education Health Insurance Fund and the Worker's Compensation Fund.

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate Westport Library Association, Inc. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. These activities are incorporated into governmental activities in the government-wide financial statements.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Westport maintains twenty-nine (29) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sewer Operating Fund and the Municipal Improvement Fund Phase II. Fifteen (15) special revenue funds, ten (10) capital project funds and one (1) debt service fund are combined into

aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund and the sewer operating fund. A budgetary comparison statement has been provided for the general fund and the sewer operating fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-16 of this report.

Proprietary funds. The Town maintains three (3) proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its Town Health Insurance, Board of Education Medical Insurance and Worker's Compensation claims. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Town and Board of Education Health Insurance Funds and Worker's Compensation Fund of the Town. Conversely, these internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Westport's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-60 of this report.

The notes to this report also contain certain information concerning the Town's progress in funding its obligation to provide benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westport, assets exceeded liabilities by \$189,104 at the close of the most recent fiscal year. This is an increase of \$14,264 from the previous year.

TOWN OF WESTPORT, CONNECTICUT

NET ASSETS

June 30, 2006 and 2005

	Governmental Activities	
	2006	2005
Current and Other Assets	\$ 73,503	\$ 78,739
Capital Assets	322,966	292,589
Total Assets	396,469	371,328
Long-Term Liabilities	180,669	179,576
Other Liabilities	26,696	16,912
Total Liabilities	207,365	196,488
Net assets:		
Invested in capital assets, net of related debt	145,846	116,904
Unrestricted	43,258	57,936
Total Net Assets	\$ 189,104	\$ 174,840

By far the largest portion of the Town's net assets (81.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in capital assets is primarily related to renovation costs of the Water Pollution Control Facility (Public Works) of \$13,625 and school building renovations (Education) of \$16,969. Deletions of capital assets totaled \$362.

The remaining balance of unrestricted net assets of \$43,258 may be used to meet the government's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$57,936.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net assets, both for the Town as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the Town's net assets by \$14,264, thereby accounting for a 8.2 percent growth. The increase of \$14,264 of net assets is \$4,771 greater than the previous year increase of \$9,493.

**TOWN OF WESTPORT, CONNECTICUT
CHANGES IN NET ASSETS
Years Ended June 30, 2006 and 2005**

	2006	2005
Revenues:		
Charges for services	\$ 21,950	\$ 18,329
Operating grants and contributions	3,259	3,062
Capital grants and contributions	6,756	5,571
General Revenues:		
Property taxes	131,736	123,861
Grants and contributions not restricted to specific programs	1,972	2,277
Other	1,457	1,619
Total Revenues	167,130	154,719
Expenses:		
General Government	9,578	10,578
Public Safety	18,218	17,794
Public Works	14,434	13,527
Health and Human Services	1,826	1,655
Library	3,774	3,652
Education	98,380	91,604
Parks and Recreation	4,946	4,884
Debt Service	1,710	1,532
Total Expenses	152,866	145,226
Increase in net assets	14,264	9,493
Net Assets, beginning	174,840	165,347
Net Assets, ending	\$ 189,104	\$ 174,840

Key elements of this increase are as follows:

Seventy-nine percent (79%) of the revenues of the Town were derived from property taxes, followed by nineteen percent (19%) from program revenues, then two percent (2%) from grants and contributions, investment earnings and other sources.

Major revenue factors included:

- ◆ Property tax revenues recorded for the fiscal year 2006 reflect an increase in the Town's tax rate of approximately 3.4% and growth in the total assessed value of taxable property of 3.1%.

- ◆ Governmental Fund investment earnings decreased to \$1,278 in the fiscal year from \$1,535 in the prior fiscal year due to less available cash for investment in the Capital Projects Funds.
- ◆ Revenue from intergovernmental revenue increased from the prior fiscal year by almost \$2,324 or 29.6% due to additional state aid for school and Town construction projects.
- ◆ Licenses, permits and fees increased by over \$1,603 from the prior fiscal year, primarily due to increased building permit fees and conveyance taxes.

For Governmental Activities, 67% of the Town's expenses relate to education and library, 12% relate to public safety, health and welfare, more than 9% relate to public works/operations, 3% to Parks and Recreation activities, 1% to interest payments on long term debt and the remaining 8% relates to government and community services, administration and other areas.

Major expense factors include:

- ◆ Increases in employee wages averaged approximately 4.2%, resulting from negotiated step and general wage increases.
- ◆ Employee benefit costs rose by more than 12% due to rising health insurance costs.
- ◆ The cost of education services increased, due to negotiated wage settlements, employee health insurance cost, special education cost, and rising school enrollment.
- ◆ Debt service on school construction and renovations increased by 12%.

Expenses and Program Revenues – Government-Wide Activities

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Noteworthy exceptions, however, were the Town's insurance costs, education, public safety and debt service budgets as noted above. Medical insurance costs have increased by more than approximately \$735 due to use experience and general market conditions. The growth in the student population of 44.1% over the last ten years, has resulted in continued significant adjustments to the Board of Education operating budget, 7.4% in fiscal 2005-2006. This growth in the student population has required major renovation to the Town's educational facilities. School renovation costs bonded in the last eight years have totaled \$155,934. Major renovations of all facilities will be complete following the conclusion of Staples High School's renovations.

Business-type activities. The Town does not maintain any business- type activities at the present time.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may

serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23,566, a decrease from \$39,773 as of June 30, 2005. This decrease is due to reduction of balances in capital projects funds as school building projects are completed.

General fund. At the end of the current fiscal year, unreserved/undesignated fund balance of the general fund was \$11,890 (compared to \$12,870 in the prior year), while total fund balance reached \$18,677. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 8.1% of total general fund expenditures, while total fund balance represents 12.7% of that same amount.

The unreserved/undesignated fund balance of the Town's general fund decreased by \$980 during the current fiscal year. The key factor in this decrease is that the Town has applied \$3,000 of fund balance to the budget for fiscal year 2006-2007, after having revenue exceed expenditures by \$994 for fiscal 2005-2006.

Sewer operating fund. The fund balance has increased by nearly \$308 due to assessments levied and collected on completed sewer extensions and sewer system renovations.

Municipal Improvements Fund Phase II. Expenditures in this fund were \$17,036 for the 2005-2006 year. This is due to the use of this fund to finance a major renovation for the Town's Water Pollution Control Facility. Financing for this \$37,700 project will be a combination of bonding, State grants and State loans to the Town.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,521 and can be briefly summarized as follows:

- ◆ \$79 in legal fees.
- ◆ \$126 in snow removal costs.
- ◆ \$226 in public works contract settlements.
- ◆ \$152 in increases allocated to the Board of Education for accounting reclassifications of revenues.
- ◆ \$431 in police and fire heart and hypertension settlements.
- ◆ \$119 in capital equipment.
- ◆ \$171 in net increases allocated to all other budgetary departments.
- ◆ \$187 in municipal employee contract settlement.
- ◆ \$30 in election primaries.

Of this increase, \$152 was to be funded out of miscellaneous increases in various charges for services. The remaining \$1,369 was to be budgeted from available fund balance. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$322,966 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- ◆ Construction continued on the renovations to Staples High School at a cost of \$16,845; \$2,873 Police and Fire communications upgrade; \$1,018 golf course improvements; sewer extension and design projects and street drainage were completed at a cost of \$117; construction in progress at the end of the fiscal year had reached \$130,556, all inclusive.
- ◆ Various building and system improvements and studies were completed in the Water Pollution Control Facility at a cost of \$13,625.

TOWN OF WESTPORT, CONNECTICUT CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities	
	2006	2005
Land	\$ 32,385	\$ 32,385
Buildings and system	157,221	95,980
Improvements other than buildings	10,440	5,485
Machinery and equipment	25,281	8,453
Infrastructure	94,039	55,122
Construction in Progress	130,556	95,164
Total	\$ 449,922	\$ 292,589

Additional information on the Town's capital assets can be found on page 42 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$177,120. Of this amount, \$169,107 comprises debt backed by the full faith and credit of the government, and \$8,013 is public improvement debt for which the government is liable in the event of default by the property owners subject to the assessment.

**TOWN OF WESTPORT, CONNECTICUT
CONNECTICUT OUTSTANDING DEBT
GENERAL OBLIGATION BONDS**

	Governmental Activities	
	2006	2005
General obligation bonds	\$ 169,107	\$ 167,237
Public improvement bonds with government commitment	8,013	8,448
Total	\$ 177,120	\$ 175,685

The Town's total debt increased by \$1,435 net of scheduled amortization during the current fiscal year due to issuance of \$11,705 General Obligation Bonds. The government issued \$750 in Bond Anticipation Notes. This note will be used to fund the cost of athletic fields in the Town. In addition, the Town has received funding for the upgrade of the Water Pollution Control Facility from the State of Connecticut in the amount of \$13,464. Upon completion of the project, permanent financing will be arranged with the State with a twenty year amortization schedule.

The Town maintains a "AAA" rating from Moody's Investors Service.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$894,389, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found on pages 43-47 of this report.

The Town utilizes a budget model to project the tax consequences associated with funding the annual budget projections and capital expenditures over a ten year period. The model enables Town administration and the general public to view various scenarios for projecting the impact of operating expenditures and capital projects by utilizing various budgetary assumptions which include debt service, projected annual growth in operating revenues and expenditures, use of undesignated fund balance, tax collection rates and grand list growth.

Economic Factors and Next Year's Budgets and Rates

- ◆ The unemployment rate for the Town as of June 30, 2006 is 2.4 percent and compares favorably to the State's average unemployment rate of 3.8 percent and the Fairfield County Labor Market of 3.4 percent.
- ◆ Primarily a residential community, the Town has continued to enjoy favorable Grand List growth of more than 3.1%.
- ◆ Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town of Westport's annual budget.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 110 Myrtle Avenue, Westport, CT 06880.

Basic Financial Statements

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2006

	Primary Government Governmental Activities	Component Unit Westport Library Association, Inc.
Assets		
Cash and cash equivalents	\$ 26,367,632	\$ 864,665
Investments	26,499,129	2,100,736
Receivables (net of allowance for collection losses):		
Property taxes	8,240,909	-
Sewer	6,558,817	-
Intergovernmental and other	412,404	25,460
Capital assets, non-depreciable	162,941,025	145,545
Capital assets, net of accumulated depreciation	160,025,322	62,059
Pension asset	1,721,000	-
Intergovernmental receivable	3,703,151	-
Total assets	396,469,389	3,198,465
Liabilities		
Accounts payable and accruals	10,972,226	52,618
Unearned revenues	989,358	-
Advance tax collections	520,387	-
Bond anticipation notes payable	14,214,171	-
Noncurrent liabilities:		
Due within one year	10,843,685	-
Due in more than one year	169,825,174	-
Total liabilities	207,365,001	52,618
Net Assets		
Investment in capital assets, net of related debt	145,846,347	207,604
Unrestricted	43,258,041	2,938,243
Total net assets	\$ 189,104,388	\$ 3,145,847

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total	Westport Library Association, Inc.
Primary government:						
Governmental activities:						
General government services	\$ (9,578,299)	\$ 4,804,010	\$ 1,369,154	\$ 4,156,661	\$ 751,526	\$ -
Education	(98,379,924)	8,956,477	1,470,077	2,153,502	(85,799,868)	-
Public safety	(18,217,392)	2,884,667	105,008	-	(15,227,717)	-
Public works	(14,433,874)	1,546,324	292,508	445,452	(12,149,590)	-
Public health	(449,097)	-	-	-	(449,097)	-
Human services	(1,377,170)	-	22,131	-	(1,355,039)	-
Library	(3,774,015)	-	-	-	(3,774,015)	-
Parks and recreation	(4,946,083)	3,759,047	-	-	(1,187,036)	-
Interest on long-term debt	(1,710,093)	-	-	-	(1,710,093)	-
Total primary government	\$ (152,865,947)	\$ 21,950,525	\$ 3,258,878	\$ 6,755,615	(120,900,929)	-
Component Unit:						
Westport Library Association, Inc.	\$ (4,766,500)	\$ 794,790	\$ 3,728,903	\$ -	-	\$ (242,807)
Total component unit	\$ (4,766,500)	\$ 794,790	\$ 3,728,903	\$ -	-	(242,807)
General revenues:						
Property taxes					131,735,933	-
Grants and contributions not restricted to specific programs					1,972,129	-
Unrestricted investment earnings					1,457,328	771,230
Total general revenues					135,165,390	771,230
Change in net assets					14,264,461	528,423
Net assets - beginning					174,839,927	2,617,424
Net assets - ending					\$ 189,104,388	\$ 3,145,847

The notes to the financial statements are an integral part of this statement

TOWN OF WESTPORT, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2006

	General Fund	Sewer Operating Fund	Municipal Improvements Fund Phase II	Other Governmental Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 396,546	\$ 250	\$ 2,498,607	\$ 17,208,170	\$ 20,103,573
Investments	22,544,260	-	-	3,954,869	26,499,129
Receivables (net of allowances for collection losses):					
Property taxes	8,240,909	-	-	-	8,240,909
Sewer	-	6,558,817	-	-	6,558,817
Intergovernmental and other	3,779,796	-	-	31,758	3,811,554
Due from other funds	1,735,042	1,489,178	-	759,137	3,983,357
Total assets	\$ 36,696,553	\$ 8,048,245	\$ 2,498,607	\$ 21,953,934	\$ 69,197,339
Liabilities					
Accounts payable and accruals	\$ 3,847,739	\$ 205,538	\$ 783,387	\$ 2,404,498	\$ 7,241,162
Due to other funds	1,831,262	-	1,195,902	1,260,193	4,287,357
Deferred revenues	11,820,159	6,558,817	-	-	18,378,976
Unearned revenues	-	-	-	989,357	989,357
Advance tax collections	520,387	-	-	-	520,387
Bond anticipation and interim financing notes	-	-	14,214,171	-	14,214,171
Total liabilities	18,019,547	6,764,355	16,193,460	4,654,048	45,631,410
Fund balances					
Reserved for:					
Encumbrances	151,811	150,705	18,902,261	2,132,885	21,337,662
Unreserved:					
Designated for continued appropriations	3,635,680	-	-	-	3,635,680
Designated for subsequent year's expenditures	3,000,000	-	-	-	3,000,000
Unreserved, undesignated, reported in:					
General fund	11,889,515	-	-	-	11,889,515
Special revenue funds	-	1,133,185	-	4,360,723	5,493,908
Capital projects funds	-	-	(32,597,114)	7,814,202	(24,782,912)
Permanent fund	-	-	-	16,897	16,897
Debt service fund	-	-	-	2,975,179	2,975,179
Total fund balances (deficits)	18,677,006	1,283,890	(13,694,853)	17,299,886	23,565,929
Total liabilities and fund balances (deficits)	\$ 36,696,553	\$ 8,048,245	\$ 2,498,607	\$ 21,953,934	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation of \$126,955,472, purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.

322,966,347

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

20,099,976

Internal service funds are used by management to charge the costs of Town and BOE Health Insurance and Worker's Compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

4,481,406

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(182,009,270)

Net assets of governmental activities

\$ 189,104,388

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2006

	General Fund	Sewer Operating Fund	Municipal Improvements Fund Phase II	Other Governmental Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 126,695,262	\$ -	\$ -	\$ -	\$ 126,695,262
Sewer assessments and usage	-	2,994,761	-	-	2,994,761
Intergovernmental	2,483,713	-	3,958,471	3,738,183	10,180,367
Permits, fees and other	12,166,962	14,394	470,305	2,462,702	15,114,363
Income from investments	912,965	-	6,124	358,916	1,278,005
Contributions	-	-	-	198,190	198,190
Charges for services	2,249,810	-	-	3,640,662	5,890,472
Parks and recreation fees	3,698,426	-	-	-	3,698,426
Total revenues	148,207,138	3,009,155	4,434,900	10,398,653	166,049,846
EXPENDITURES					
Current:					
General government	4,503,099	-	-	1,276,371	5,779,470
Public safety	14,875,318	-	-	99,041	14,974,359
Public works	8,340,885	1,405,446	-	1,190,565	10,936,896
Public health	449,097	-	-	-	449,097
Human services	780,144	-	-	148,518	928,662
Library	3,447,396	-	-	-	3,447,396
Parks and recreation	3,704,268	-	-	65,072	3,769,340
Education	84,271,051	-	-	4,716,823	88,987,874
Insurance and benefits	9,265,366	-	-	-	9,265,366
Debt service:					
Principal	9,480,050	789,950	-	-	10,270,000
Interest and other charges	7,285,099	507,602	-	-	7,792,701
Capital outlay	811,306	-	17,036,407	19,513,040	37,360,753
Total expenditures	147,213,079	2,702,998	17,036,407	27,009,430	193,961,914
Revenue over (under) expenditures	994,059	306,157	(12,601,507)	(16,610,777)	(27,912,068)
OTHER FINANCING SOURCES (USES)					
Transfers in	780,356	281,629	-	1,552,901	2,614,886
Transfers out	(1,381,629)	(280,000)	(6,124)	(947,133)	(2,614,886)
Bond proceeds	-	-	4,355,000	7,350,000	11,705,000
Total other financing sources (uses)	(601,273)	1,629	4,348,876	7,955,768	11,705,000
Net change in fund balances (deficits)	392,786	307,786	(8,252,631)	(8,655,009)	(16,207,068)
FUND BALANCES (DEFICITS), beginning	18,284,220	976,104	(5,442,222)	25,954,895	39,772,997
FUND BALANCES (DEFICITS), ending	\$ 18,677,006	\$ 1,283,890	\$ (13,694,853)	\$ 17,299,886	\$ 23,565,929

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ (16,207,068)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and losses on asset disposals in the current period.	30,377,708
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	918,332
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,435,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	882,601
The change in net assets in governmental activities of internal service funds is reported with governmental activities.	<u>(272,112)</u>
Change in net assets of governmental activities	<u>\$ 14,264,461</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES - BUDGETARY
BASIS - BUDGET AND ACTUAL - GENERAL FUND AND SEWER OPERATING FUND
For the Year Ended June 30, 2006**

	General Fund			Variance With
	Budgeted Amounts		Actual	Final Budget
	Original	Final	Budgetary	Positive
			Basis	(Negative)
REVENUES				
Property taxes	\$ 127,179,443	\$ 126,300,000	\$ 126,695,262	\$ 395,262
Education	1,584,000	1,594,000	1,803,542	209,542
Parks and recreation	3,745,600	3,683,000	3,698,426	15,426
Income from investments	800,000	900,000	912,965	12,965
Intergovernmental	1,228,900	1,223,711	1,138,993	(84,718)
Permits, fees and other	6,290,200	8,631,600	9,110,290	478,690
Total revenues	140,828,143	142,332,311	143,359,478	1,027,167
EXPENDITURES				
General government	4,528,338	4,766,094	4,620,135	145,959
Public safety and protection	15,059,037	15,011,768	14,623,211	388,557
Public works	7,616,572	8,058,839	7,852,269	206,570
Public health	449,097	449,097	449,097	-
Human services	755,112	798,445	781,914	16,531
Education	93,031,866	93,183,892	92,986,258	197,634
Library	3,447,396	3,447,396	3,447,396	-
Parks and recreation	3,582,444	3,713,998	3,677,591	36,407
Other	9,751,896	10,181,737	10,030,689	151,048
Debt service	3,025,643	3,025,643	2,958,702	66,941
Capital outlay	701,013	832,628	811,306	21,322
Total expenditures	141,948,414	143,469,537	142,238,568	1,230,969
Revenues over (under) expenditures	(1,120,271)	(1,137,226)	1,120,910	2,258,136
OTHER FINANCING SOURCES (USES)				
Transfers in	1,001,900	958,400	780,356	(178,044)
Transfers out	(1,381,629)	(1,381,629)	(1,381,629)	-
Total other financing sources (uses)	(379,729)	(423,229)	(601,273)	(178,044)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,500,000)	\$ (1,560,455)	\$ 519,637	\$ 2,080,092

The notes to the financial statements are an integral part of this statement.

Sewer Operating Fund			
Budgeted Amounts		Actual	Variance With
Original	Final	Budgetary	Final Budget
		Basis	Positive
			(Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,134,726	3,234,726	3,290,784	56,058
3,134,726	3,234,726	3,290,784	56,058
-	-	-	-
-	-	-	-
1,427,173	1,495,191	1,337,336	157,855
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,427,553	1,427,553	1,297,552	130,001
-	-	-	-
2,854,726	2,922,744	2,634,888	287,856
280,000	311,982	655,896	343,914
-	-	-	-
(280,000)	(280,000)	(280,000)	-
(280,000)	(280,000)	(280,000)	-
\$ -	\$ 31,982	\$ 375,896	\$ 343,914

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2006

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,264,059
Due from other funds	304,000
Total assets	6,568,059
LIABILITIES	
Current liabilities:	
Accounts payable	55,270
Claims incurred but not reported	2,031,383
Total liabilities	2,086,653
NET ASSETS	
Unrestricted	4,481,406
Total net assets	\$ 4,481,406

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS**

For the Year Ended June 30, 2006

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 14,994,530
Total operating revenues	<u>14,994,530</u>
OPERATING EXPENSES	
Claims incurred	13,985,175
Administration	1,460,880
Total operating expenses	<u>15,446,055</u>
Operating loss	<u>(451,525)</u>
NONOPERATING REVENUES	
Interest on investments	179,413
Total nonoperating revenues	<u>179,413</u>
Change in net assets	(272,112)
NET ASSETS, beginning	<u>4,753,518</u>
NET ASSETS, ending	<u><u>\$ 4,481,406</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2006

	Governmental Activities
	Internal Service Funds
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 14,994,530
Cash paid to vendors and beneficiaries	(15,152,675)
Net cash used in operating activities	<u>(158,145)</u>
Cash Flows From Investing Activities	
Interest on cash and cash equivalents	179,413
Net cash provided by investing activities	<u>179,413</u>
Net increase in cash and cash equivalents	21,268
Cash and Cash Equivalents	
Beginning	<u>6,242,791</u>
Ending	<u><u>\$ 6,264,059</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	\$ (451,525)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase in accounts payable	40,268
Increase in claims payable	253,112
Net cash used in operating activities	<u><u>\$ (158,145)</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2006

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 7,480,465	\$ 2,250,208
Investments, at fair value		
U.S. government obligations	43,254,428	-
Corporate bonds	25,943,640	-
Mutual funds	93,517,204	-
Total investments	162,715,272	-
LIABILITIES		
Due to student groups	-	636,193
Amounts held as agent	-	1,614,015
Total liabilities	-	2,250,208
Net Assets Held in Trust for Pension Benefits	\$ 170,195,737	\$ -

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 569,390
Plan members	<u>1,475,997</u>
Total contributions	<u>2,045,387</u>
 Investment Income	
Net appreciation in fair value of investments	5,813,104
Interest and dividends	<u>3,767,912</u>
Net investment income	<u>9,581,016</u>
 Other revenue	<u>14,258</u>
 Total additions	<u>11,640,661</u>
 Deductions	
Benefits	6,200,202
Other	<u>35,220</u>
Total deductions	<u>6,235,422</u>
 Change in net assets	5,405,239
 Net Assets Held in Trust for Pension Benefits	
Beginning of year	<u>164,790,498</u>
 End of year	<u><u>\$ 170,195,737</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

Note 1. Significant Accounting Policies

Reporting entity

The Town of Westport, Connecticut (the "Town") was incorporated as a town in 1835. The Town operates under a Board of Selectmen, Representative Town Meeting, and Board of Finance form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Codification Section 2100 have been considered and as a result, the component unit discussed below is included in the Town's reporting entity because of its operational significance and financial relationship with the Town.

Discretely presented component unit

The component unit column in the government-wide financial statements includes financial data of the Town's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the Town. The Westport Library Association Investment Fund, Inc. meets the criteria of a component unit in that it is fiscally dependent on the Town.

The Westport Library Association Investment Fund, Inc. was established under Connecticut State Statutes to serve the Town of Westport. The Library is governed by a 20 member Board of Trustees. One-half of the trustees are appointed by Westport's Representative Town Meeting, and one-half are appointed by the Board. Trustees serve a term of four (4) years. The Library provides services to the Town of Westport and its surrounding community. These services relate to the purchase and distribution of educational and recreational materials to the public. It also serves nonresident borrowers through the state-funded Connecticut program. The Library is funded by the Town of Westport and private contributions. Financial information related to the Westport Library Association Investment Fund, Inc. is available at the Westport Library Association, Inc., 20 Jesup Road, Westport, CT 06880. The Westport Library Association Investment Fund, Inc. is reported within the component unit column in the government-wide financial statements.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund. Agency fund financial statements are on the accrual basis with no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Property taxes when levied for, intergovernmental revenues when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Sewer Operating Fund* accounts for the revenues collected by the Town and expenditures related thereto.

The *Municipal Improvements Phase II Fund* accounts for proceeds of borrowed funds to be used for capital expenditures.

Additionally, the Town reports the following fund types:

Internal Service Funds are used to account for the revenues and related expenses for the Town and Board of Education health self-insurance and worker's compensation insurance plans for employees of the Town and Board of Education.

Pension Trust Funds are used to account for the accumulation of resources to be used for retirement benefits, and include the Police, Fire, Public Works, Municipal Interim and Non-Union Funds.

Agency Funds are used to account for monies held as a custodian for outside groups and agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and internal service fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents

The Town classifies money market funds, MBIA class investments and treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

Investments

Investments are stated at fair value, using quoted market prices. The majority of the Town's investments are in the General Fund and Pension Trust Fund. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Property taxes

Property taxes are assessed as of October 1, levied on the following July 1, and are due in four installments, July 1, October 1, January 1 and April 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year. An allowance based on historical collection experience is provided for uncollectible taxes.

Sewer assessments are levied by the Water Pollution Control Authority and assessed to the users as projects are completed. Assessments are due and payable as of September 1 following the levy, but may be paid in installments with interest over the life of the bond issue less one year, usually a nineteen year period, with the prevailing interest rate. All properties are lienied until the assessment is paid in full.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Capital assets

In the government-wide financial statements, capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for personal property and \$75,000 on all other with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Building improvements	20
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

In the governmental fund financial statements, capital assets are recorded as an expenditure when purchased and no depreciation expense is reported.

Compensated absences

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies but does not vest. If an employee is retiring, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits. The liability for the remainder of the accrued vacation earned is reported in the government-wide statements. In the governmental funds, the amounts are reported when paid or when payment is due.

Allowance for doubtful accounts

Accounts and notes receivable for the primary government are reported net of allowance of \$1,000,000 for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and the creditors' ability to pay.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension plan accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Governmental Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The pension asset is recorded as a non-current asset in the government-wide financial statements. The pension obligation is recorded as a non-current liability in the government-wide financial statements.

Funding Policy:

The Town makes contributions at the discretion of management. These contributions have been substantially the amount recommended by the Town's actuaries.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute either expenditures or liabilities.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Unrestricted Net Assets - This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance – indicates that portion of fund equity which has been legally segregated for specific purposes or not available for appropriation.

Unreserved/designated fund balance – indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved fund balance – indicates that portion of fund equity which is available for appropriation and expenditure in future periods, or if a deficit for which future funding will be required.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(182,009,270) difference are as follows:

Bonds payable	\$ (177,120,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	744,106
Add: Issuance premium (to be amortized)	(1,829,926)
Accrued interest payable	(1,340,411)
Claims and judgments	(400,000)
Compensated absences	(1,658,039)
Net pension obligation	<u>(405,000)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (182,009,270)</u></u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) and the governmental activities reported in government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$30,377,708 difference are as follows:

Capital outlay	37,858,438
Depreciation expense	\$ (7,392,750)
Disposals of capital assets	<u>(87,980)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 30,377,708</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(1,435,000) difference are as follows:

Bond proceeds	\$ (11,705,000)
Principal repayments: General obligation debt	<u>10,270,000</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (1,435,000)</u></u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$882,601 difference are as follows:

Net change in compensated absences	\$ (40,542)
Net change in accrued interest	454,496
Net change in net pension obligation	(262,000)
Net change in net pension asset	150,000
Net change in claims and judgments	500,000
Amortization of bond discounts	(37,227)
Amortization of bond premium	<u>117,874</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 882,601</u></u>

Note 3. Budgets and Budgetary Accounting

General Fund

The Town's general budget policies in the General Fund and Sewer Operating Fund are as follows:

- A. On the first Tuesday in May, the Representative Town Meeting adopts the budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means to be utilized to finance them.
- B. The Board of Finance is authorized to transfer budgeted amounts between appropriations and can approve additional appropriations up to an aggregate of \$20,000 per year. Additional appropriations aggregating more than \$20,000 per fiscal year must be approved by the Representative Town Meeting.
- C. Formal budgetary integration is employed as a management control device during the year. The legal level of control (the level at which expenditures may not exceed appropriations) is at the department level.
- D. Budgeted amounts shown are as amended by a Representative Town Meeting or by the Board of Finance during the course of the year. Additional appropriations for the year ended June 30, 2006 aggregated approximately \$1,521,000 for the General Fund.
- E. All noncontinuing appropriations lapse at year-end.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

- F. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- G. A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	General Fund		Sewer Operating Fund
	Revenues and Transfers	Expenditures and Transfers	Expenditures and Transfers
Balance, GAAP basis	\$ 148,987,494	\$ 148,594,708	\$ 2,982,998
State Teachers' Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,991,000)	(4,991,000)	-
Unliquidated prior year encumbrances	143,340	143,340	16,234
Encumbrances:			
June 30, 2005	-	(1,037,919)	(235,049)
June 30, 2006	-	151,811	150,705
Continued in force:			
June 30, 2005	-	(2,876,423)	-
June 30, 2006	-	3,635,680	-
Balance, budgetary basis	<u>\$ 144,139,834</u>	<u>\$ 143,620,197</u>	<u>\$ 2,914,888</u>

- H. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds, other than the Sewer Operating Fund. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the State or other grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

Note 4. Cash and investments

Deposits: The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. The Town's policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Operating and Working Capital funds are invested in accordance with the guidelines of the "Investment Policy" upon the direction of the Finance Director in the following short-term investments: (1) various certificates of deposit (C.D.) with Connecticut banks (prior to acquiring a C.D., the Finance Director requires prospective bank depositories to provide written evidence that the bank meets the collateral, risk based capital and other requirements of Qualified Public Depositories as defined in Connecticut General Statutes Section 36-382); (2) money market accounts; (3) U.S. Government Treasury Obligations; (4) Repurchase Agreements collateralized by U.S. Government Agency Obligations; (5) MBIA Class - an investment fund managed by MBIA Municipal Investors Service Corporation which, according to MBIA Class, invest only in: (a) high grade short-term federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two; and (b) very short-term, usually overnight, repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the program's custodial bank to be held for the benefit of the pool's participants. Eligible investments for Connecticut municipalities are determined by C.G.S. Section 7-400 and 7-402.

Town funds not under the direct control of the Finance Director and Controller will be the responsibility of the director or head of that department until such time the funds are disbursed or transferred to the Office of the Finance Director. The director or head of the department has established written procedures for the control of these funds. In addition, the Town monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined in C.G. S. Section 36-382.

The investments of each of the six Pension Trust funds is carried out by the "Investment Committee" (consisting of the Chair of the Board of Finance, the Finance Director, and a third person chosen by the two and approved by each pension board of the various funds). The Investment Committee makes investment decisions based on guidelines and investment policy established by the pension board of each of the pension funds.

The pension boards have adopted an investment policy to allocate fifty-five percent of fund assets to equities with the balance invested in fixed income securities and cash equivalents.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Interest Rate Risk: The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The Town's pension funds do have a policy to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitoring the liquidity of the funds on an ongoing basis.

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2006 \$37,446,438 of the entity's bank balance of \$38,181,566 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension funds do not have custodial credit risk policies for investments.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Cash and investments of the Town consist of the following at June 30, 2006:

Cash and Cash Equivalents		
Deposits with financial institutions	\$	35,458,990
State of Connecticut Short-Term Investment fund		44,421
Municipal Backed Investment Fund		594,893
Total cash and cash equivalents		<u>36,098,304</u>
Investments		
General Fund		
U.S. Government Securities		2,935,200 *
U.S. Government Agencies		19,609,060 *
Debt Service Fund:		
U.S. Government Securities		2,975,179 *
Capital and Nonrecurring Fund:		
U.S. Government Agencies		979,690 *
Total government investments		<u>26,499,129</u>
Pension Trust Funds:		
U.S. Government Securities		30,901,813 *
U.S. Government Agencies		12,352,615 *
Corporate Bonds		25,943,640 *
Mutual Funds		93,517,204
Total pension investments		<u>162,715,272</u>
Total investments		<u>189,214,401</u>
Total cash and investments	\$	<u>225,312,705</u>

* These investments are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and cash equivalents	\$ 26,367,632
Investments	26,499,129
	<u>52,866,761</u>
Fiduciary Funds:	
Cash and cash equivalents	9,730,672
Investments	162,715,272
	<u>172,445,944</u>
Total cash and investments	<u>\$ 225,312,705</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the entity's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Pooled fixed income	\$ 639,314	\$ 639,314	\$ -	\$ -	\$ -
U.S. Government Agencies	32,941,365	23,759,530	6,781,520	2,400,315	-
U.S. Government Securities	36,812,192	5,636,221	23,847,699	6,616,666	711,606
Corporate Bonds	25,943,640	7,992,480	8,238,840	6,913,460	2,798,860
TOTAL	\$ 96,336,511	\$ 38,027,545	\$ 38,868,059	\$ 15,930,441	\$ 3,510,466

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Bonds	U.S.	
		Government Agency	Pooled Fixed Income
AAA	\$ 3,867,960	\$ 32,941,365	\$ 44,421
AA	14,807,670	-	594,893
A	7,268,010	-	-
	\$ 25,943,640	\$ 32,941,365	\$ 639,314

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Note 5. Unearned Revenue/Deferred Revenue

Governmental funds and governmental activities report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue reported in the governmental funds and governmental activities were as follows:

	Deferred Revenue	Unearned Revenue
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 7,880,066	\$ -
School construction receivable	3,703,151	-
Parking tickets and other	236,942	-
Sewer Operating Fund:		
Taxes and accrued interest on delinquent sewer taxes	6,558,817	-
Nonmajor Funds:		
Grants	-	28,797
Railroad parking permits	-	392,756
Summer school tuition	-	567,805
	<u>\$ 18,378,976</u>	<u>\$ 989,358</u>

Note 6. Interfund Receivables, Payables and Transfers

As of June 30, 2006, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
Due From:		
General Fund	\$ 1,831,262	\$ 1,735,042
Sewer Operating Fund	-	1,489,178
Municipal Improvements Phase II Fund	1,195,902	-
Non-Major Governmental Funds	1,260,193	759,137
Proprietary Funds	-	304,000
Total	<u>\$ 4,287,357</u>	<u>\$ 4,287,357</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2006 were as follows:

	Transfers In			Totals
	General Fund	Sewer Operating Fund	Nonmajor and Other Funds	
Transfers out:				
General Fund	\$ -	\$ 281,629	\$ 1,100,000	\$ 1,381,629
Sewer Operating Fund	280,000	-	-	280,000
Municipal Improvements Fund Phase II Fund	6,124	-	-	6,124
Nonmajor and Other Funds	494,232	-	452,901	947,133
Total	\$ 780,356	\$ 281,629	\$ 1,552,901	\$ 2,614,886

Transfers are used to account for: (1) financing by the General Fund of programs accounted for in other funds in accordance with budgetary amortizations; (2) sewer assessments and sewer usage charges collected in special revenue funds appropriated to General Fund to offset debt service expenditures; and (3) the one-time transfer of various residual program balances to the General and Special Revenue Funds.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 32,384,800	\$ -	\$ -	\$ 32,384,800
Construction in progress	95,163,527	35,392,698		130,556,225
Total capital assets, not being depreciated	127,548,327	35,392,698	-	162,941,025
Capital assets, being depreciated:				
Land improvements	10,419,650	20,719	-	10,440,369
Buildings and improvements	157,221,174	-	-	157,221,174
Machinery and equipment	24,403,958	1,238,902	362,291	25,280,569
Infrastructure	92,832,563	1,206,119	-	94,038,682
Total capital assets being depreciated	284,877,345	2,465,740	362,291	286,980,794
Less accumulated depreciation for:				
Land improvements	4,934,907	423,962	-	5,358,869
Buildings and improvements	61,240,676	3,364,614	-	64,605,290
Machinery and equipment	15,950,821	1,581,112	274,311	17,257,622
Infrastructure	37,710,629	2,023,062	-	39,733,691
Total accumulated depreciation	119,837,033	7,392,750	274,311	126,955,472
Total capital assets, being depreciated, net	165,040,312	(4,927,010)	87,980	160,025,322
Governmental activities capital assets, net	\$ 292,588,639	\$ 30,465,688	\$ 87,980	\$ 322,966,347

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government services	\$ 233,838
Public safety	674,639
Public works, including depreciation of general infrastructure assets	2,629,487
Human services	2,370
Library	326,619
Parks and recreation	525,109
Education	3,000,688
Total depreciation expense – governmental activities	<u>\$ 7,392,750</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Note 8. Bond Anticipation Notes and Interim Financing

Bond anticipation note and interim financing transactions for the year ended June 30, 2006 were as follows:

Outstanding, July 1, 2005	\$ 2,500,000
New borrowings - interim financing	13,464,171
New borrowings - bond anticipation notes	750,000
Payments - bond anticipation notes	<u>(2,500,000)</u>
Outstanding, June 30, 2006	<u>\$ 14,214,171</u>

The bond anticipation notes were issued to provide short-term financing for the Municipal Improvement Fund Phase II. The bond anticipation note outstanding matures June 19, 2007 and bears interest at 3.5%. The interim financing amount represents Clean Water Fund notes which were issued to provide financing for the Town's Water Pollution Control Facility projects accounted for in the Municipal Improvement Fund Phase II.

Note 9. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 175,685,000	\$ 11,705,000	\$ 10,270,000	\$ 177,120,000	\$ 10,545,000
Add deferred amounts:					
Premiums	1,947,800	-	117,874	1,829,926	117,874
Less deferred amounts:					
Discounts	(717,852)	(63,481)	(37,227)	(744,106)	40,269
Total bonds payable	176,914,948	11,641,519	10,350,647	178,205,820	10,703,143
Claims and judgments	900,000	-	500,000	400,000	100,000
Compensated absences	1,617,497	41,311	769	1,658,039	40,542
Net pension obligation	143,000	262,000	-	405,000	-
Governmental activity long-term liabilities	\$ 179,575,445	\$ 11,944,830	\$ 10,851,416	\$ 180,668,859	\$ 10,843,685

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

General obligation bonds

As of June 30, 2006, the outstanding long-term indebtedness of the Town was as follows:

	Outstanding Amount
School bond; issue of \$2,735,000; due 10/15/06; annual principal payments of \$135,000; plus interest due semiannually at 5.50%	\$ 135,000
School bond; issue of \$24,318,000; due 7/15/13; annual principal payments ranging from \$560,000 to \$1,089,000; plus interest due semiannually at 4.10% to 5.25%	7,457,000
School bond; issue of \$28,083,000; due 08/15/13; annual principal payments of \$1,425,000; plus interest due semiannually at 4.50% to 5.375%	11,400,000
School bond; issue of \$24,985,000; due 9/15/18; annual principal payments of \$1,305,000; plus interest due semiannually at 3.65% to 5.00%	13,050,000
School bond, issue of \$19,435,000; due 12/1/19; annual principal payments of \$975,500; plus interest due semiannually at 4.00% to 5.00%	8,779,500
School bond, issue of \$31,753,000; due 2/1/23; annual principal payments ranging from \$1,590,000 to \$1,615,000; plus interest due semiannually at 3.0% to 5.0%	27,380,000
School refunding bond, issue of \$32,909,500; due 8/15/21; annual principal payments ranging from \$152,000 to \$3,883,000; plus interest due semiannually at 2.5% to 5.0%	32,909,500
Public Improvement bond; issue of \$7,250,000; due 6/15/08; annual principal payments of \$350,000; plus interest due semiannually at 7.00%	700,000
Public Improvement bond; issue of \$9,057,000; due 7/15/13; annual principal payments ranging from \$30,000 to \$435,000; plus interest due semiannually at 4.10% to 5.25%	2,211,000
Public Improvement bond; issue of \$1,295,000; due 10/15/06; annual principal payments of \$65,000; plus interest due semiannually at 5.50%	65,000
Public Improvement bond; issue of \$6,835,000; due 9/15/18; annual principal payments ranging from \$355,000 to \$360,000; plus interest due semiannually at 3.65% to 5.00%	3,575,000
Public Improvement bond; issue of \$800,000; due 8/15/13; annual principal payments of \$41,000; plus interest due semiannually at 4.50% to 5.375%	328,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

	<u>Outstanding Amount</u>
Public Improvement bond; issue of \$6,680,000; due 12/1/19; annual principal payment of \$344,000; plus interest due semiannually at 4.00% to 5.00%	3,096,000
Public Improvement bond, issue of \$202,000; due 2/1/23; annual principal payments ranging from \$10,000 to \$11,000; plus interest due semiannually at 3.0% to 5.0%	174,000
Public Improvement refunding bond, issue of \$8,872,000; due 8/15/21; annual principal payments ranging from \$73,000 to \$1,129,000; plus interest due semiannually at 2.5% to 5.0%	8,872,000
Sewer bond; issue of \$4,435,000; due 7/15/13; annual principal payments ranging from \$75,000 to \$368,000; plus interest due semiannually at 4.10% to 5.25%	1,777,000
Sewer bond; issue of \$2,400,000; due 10/15/06; annual principal payments of \$120,000; plus interest due semiannually at 5.50%	120,000
Sewer bond; issue of \$725,000; due 9/15/18; annual principal payments ranging from \$35,000 to \$40,000; plus interest due semiannually at 3.65% to 5.00%	375,000
Sewer bond; issue of \$1,617,000; due 8/15/13; annual principal payments of \$84,000; plus interest due semiannually at 4.50% to 5.375%	672,000
Sewer bond; issue of \$1,710,000; due 12/1/19; annual principal payments of \$85,500; plus interest due semiannually at 4.00% to 5.00%	769,500
Sewer bond, issue of \$90,000; due 2/1/23; annual principal payments ranging from \$4,000 to \$5,000; plus interest due semiannually at 3.0% to 5.0%	81,000
Sewer refunding bond, issue of \$2,948,500; due 8/15/21; annual principal payments ranging from \$87,000 to \$350,000; plus interest due semiannually at 3.0% to 5.0%	2,948,500
School bond; issue of \$34,197,000; due 11/1/24; annual principal payments ranging from \$1,455,400 to \$1,755,240; plus interest due semiannually at 3.0% to 4.2%	32,998,300
Public improvement bond; issue of \$4,743,000; due 11/1/24; annual principal payments ranging from \$202,090 to \$243,430; plus interest due semiannually at 3.0% to 4.2%	4,576,750
Sewer bond; issue of \$1,000,000; due 11/1/24; annual principal payments ranging from \$42,510 to \$51,330; plus interest due semiannually at 3.0% to 4.2%	964,950

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

	<u>Outstanding Amount</u>
School bond; issue of \$7,350,000 due 7/15/25; annual principal payments ranging from \$285,000 to \$395,000 plus interest due semi-annually at 3.50% to 5.50%	7,350,000
Public improvement bond; issue of \$4,050,000 due 7/15/25; annual principal payments ranging from \$155,000 to \$220,000 plus interest due semi-annually at 3.50% to 5.50%	4,050,000
Sewer bond; issue of \$305,000 due 7/15/25; annual principal payments ranging from \$10,000 to \$20,000 plus interest due semi-annually at 3.50% to 5.50%	<u>305,000</u>
Amount to be financed and paid through the General Fund and Sewer Operating Fund	<u><u>\$ 177,120,000</u></u>

The annual debt service requirements of this debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 10,545,000	\$ 7,419,512	\$ 17,964,512
2008	11,335,000	7,160,903	18,495,903
2009	11,155,000	6,700,765	17,855,765
2010	11,245,000	6,251,228	17,496,228
2011	11,250,000	5,754,115	17,004,115
2012	11,255,000	5,247,315	16,502,315
2013	11,225,000	4,743,287	15,968,287
2014	11,210,000	4,250,419	15,460,419
2015	11,245,000	3,742,935	14,987,935
2016	11,230,000	3,232,716	14,462,716
2017	11,230,000	2,722,109	13,952,109
2018	10,885,000	2,214,322	13,099,322
2019	10,880,000	1,713,400	12,593,400
2020	9,175,000	1,250,662	10,425,662
2021	7,265,000	869,631	8,134,631
2022	5,715,000	585,319	6,300,319
2023	4,285,000	373,847	4,658,847
2024	2,680,000	191,544	2,871,544
2025	2,680,000	82,444	2,762,444
2026	630,000	13,387	643,387
	<u>\$ 177,120,000</u>	<u>\$ 64,519,860</u>	<u>\$ 241,639,860</u>

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2006 was approximately

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

\$487,236. Additional reimbursements of principal and interest aggregating approximately \$4,822,551 are expected to be received through the bonds' maturity dates.

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2006 is as follows:

Total tax collections (including interest and lien fees and net of refunds and adjustments) for the year ended June 30, 2006	\$ 127,767,157
Reimbursement for revenue loss:	
Tax relief for elderly	2,666
Base	<u>\$ 127,769,823</u>

The Connecticut General Statutes provide that authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$894,388,761, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 287,482,102	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	574,964,204	-	-	-
3-3/4 times base	-	-	479,136,836	-	-
3-1/4 times base	-	-	-	415,251,925	-
3 times base	-	-	-	-	383,309,469
Total debt limitation	287,482,102	574,964,204	479,136,836	415,251,925	383,309,469
Indebtedness:					
Bonds and notes payable	28,397,750	141,459,300	8,012,950	-	-
Bonds authorized but unissued; issue dates not yet established	2,278,341	1,989,687	23,434,376	-	-
Construction grants	-	(3,703,151)	-	-	-
Total indebtedness	30,676,091	139,745,836	31,447,326	-	-
Debt limitation in excess of outstanding and authorized debt	<u>\$ 256,806,011</u>	<u>\$ 435,218,368</u>	<u>\$ 447,689,510</u>	<u>\$ 415,251,925</u>	<u>\$ 383,309,469</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Note 10. Commitments and Contingencies

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Lawsuits

Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town.

For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$400,000. Based upon the advice of the Town Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Municipal Solid Waste Service Agreement

The Town has entered into a municipal solid waste service agreement, as amended (the "Service Agreement") with the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates with seventeen other Connecticut municipalities (the eighteen constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the Service Agreement, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 26,000 tons per year and to pay a uniform per ton disposal service payment (the "Service Payment"). The current fee is \$66 per ton and a fixed monthly charge of approximately \$17,333. The aggregate minimum commitment of the eighteen Contracting Municipalities is 400,000 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its proportionate share of the shortfall of the aggregate minimum commitment (unless it delivered its full portion).

Service Payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the Town, whether or not such solid waste is processed at the facility. The Town has pledged its full faith and credit to the payment of Service Payments and has also agreed to

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

If any Contracting Municipality shall default in the payment of any service payments, the other Contracting Municipalities shall pay their share of the amounts unpaid by the nonpaying Contracting Municipality.

Note 11. Employee Retirement Plans

Plan Description

The Town maintains five contributory pension plans covering substantially all full-time employees and noncertified Board of Education employees. The five pension plans are single-employer contributory defined benefit plans which are part of the Town's financial reporting entity and are accounted for in five pension trust funds: police, fire, public works, municipal interim, and non-union. Stand-alone financial statements are not available. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Town does not contribute to this plan.

As of July 1, 2005 (the date of the most recent valuation for all plans), the Plan's membership consisted of:

	Police	Fire	Public Works	Municipal Interim	Non-Union
Active	67	55	34	367	83
Terminated-vested	-	-	-	9	4
Retired	60	50	24	201	49
Total	127	105	58	577	136

Police and Fire Pension Plans

All regular employees of the police and fire departments are eligible to participate in the plans from their date of hire. They are fully vested and may retire after 20 years of service. The retirement benefit is calculated at 2 ½% of the final average compensation multiplied by the years of credited services to a maximum of 32 ½ years for fire and police. The maximum benefit is 81.25% of the final average compensation. Final average compensation is equal to the last 12 months' salary plus college credits, stand by, weapons allowance and hardship pay. Overtime is excluded from the calculation. Members are required to contribute 9% of their annual compensation.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Public Works Pension Plan

All members of the Public Works Union are eligible to participate in the plan upon employment. They are vested after 10 years of service. Participants hired prior to January 1, 1973 may retire after 25 years of service. Participants hired on or after January 1, 1973 may retire when the participant's age and years of credited service equal 75 with a minimum of age 55 and a minimum of 10 years of service. The retirement benefit is calculated at 2 ½% of the average of the participant's final 12 months of compensation, multiplied by the years of service to a maximum of 32 ½ years. Participants in the Plan hired before July 1, 1999 contribute 9% of their annual salary to the pension plan. Participants hired on or after July 1, 1999 contribute 10% of salary to the plan.

Municipal Interim Plan

Employees that belong to the Westport Municipal Union and the Westport Paraprofessionals Union are covered under the Municipal Interim Plan. Full vesting for the Plan occurs after 10 years of continuous service, or 15 years of non-continuous service. An employee may retire upon reaching age 55 if fully vested; or upon completion of 25 years of credited service without age requirement. The pension benefit for the Municipal Interim Plan is equal to 2% of final average compensation multiplied by the number of years for credited service for the first 20 years of service and 2.25% for service thereafter, to a maximum of 33 years. For full-time employees of the cafeteria, monthly compensation benefit is equal to 1 .1667% of the monthly average final compensation subject to Social Security tax plus 2% of such compensation not subject to Social Security tax times credited service to a maximum of 33 years, plus .1667% of the monthly average compensation subject to Social Security tax and 1% of such compensation not subject to Social Security tax times credited services in excess of 33 years.

Non-Union Plans

The Non-Union Plans are differentiated by Supervisory and Non-Supervisory.

Non-union non-supervisory employees participate in the Non-Union Non Supervisory Pension Plan. Full vesting for the Plan occurs after 10 years of continuous service for non-union non supervisory and after 5 years of continuous service for non-union supervisory participants, or 15 years of non-continuous service for all non union employees. An employee may retire upon reaching age 55 if fully vested; or upon completion of 25 years of credited service without age requirement. The pension benefit for the Non-Union Non Supervisory Plan is equal to 2.00% of final average compensation multiplied by the number of years for credited service for the first 20 years of service and 2.25% for service thereafter.

Non union supervisory employees participate in the Non-Union Supervisory Pension Plan. Full vesting for the Plan occurs after 5 years of continuous service, or 10 years of non-continuous service. An employee may retire upon reaching age 55 if fully vested; or upon completion of 25

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

years of credited service without age requirement. The pension benefit for the Non-Union Supervisory Plan is equal to 2.25% of final compensation multiplied by the number of years for credited service.

Average final compensation for all plans (Municipal Interim and Non-Union (2)) is defined as the greater of the compensation earned during the final 12 months or the calendar year in which the compensation was the highest. In no instance may the pension benefit exceed a certain percentage of final average compensation (69.25% for those in the Municipal Interim Plan, 100% for those in the Non-Union, Non Supervisory Plan and the Non Union Supervisory Plan). Employee contribution rates are as follows: 4.00% for all employees, except Municipal Interim Plan participants, whose rate is 3.25% and 4.00 % after January 1, 2007 and cafeteria workers, whose contribution is 2.25% of gross pay subject to Social Security tax, plus 5% of gross pay not subject to Social Security tax.

All pension plans have provisions for retirement with disability and death benefits. The Town is required to contribute the remaining amount necessary (net of employee contributions) to fund the pension plans based on an actuarially sound method. Benefits and employee contribution rates are set by the Town and the bargaining unit.

Annual Pension Cost and Net Pension Obligation (Asset)

The Town's annual pension cost and net pension obligation (asset) for the Plans for the year ended June 30, 2006 were as follows:

	Police	Fire	Public works	Municipal Interim	Non-Union
Annual required contribution	\$ -	\$ -	\$ -	\$ 167,000	\$ 452,000
Interest on net pension obligation (asset)	(50,000)	(38,000)	(22,000)	(7,000)	11,000
Adjustment to annual required contribution	78,000	64,000	31,000	13,000	(18,000)
Annual pension cost	28,000	26,000	9,000	173,000	445,000
Contributions made	(46,000)	(38,000)	(58,000)	(244,000)	(183,000)
Increase (decrease) in net pension obligation (asset)	(18,000)	(12,000)	(49,000)	(71,000)	262,000
Net pension obligation (asset) beginning of year	(673,000)	(504,000)	(295,000)	(99,000)	143,000
Net pension obligation (asset) end of year	\$ (691,000)	\$ (516,000)	\$ (344,000)	\$ (170,000)	\$ 405,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

Trend Information

Police

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/04	\$ 30,000	193.3%	\$ (635,000)	\$ 58,000
6/30/05	26,000	246.2%	(673,000)	64,000
6/30/06	28,000	164.3%	(691,000)	46,000

Fire

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/04	\$ 29,000	175.9%	\$ (473,000)	\$ 51,000
6/30/05	25,000	224.0%	(504,000)	56,000
6/30/06	26,000	146.2%	(516,000)	38,000

Public Works

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/04	\$ 8,000	400.0%	\$ (269,000)	\$ 32,000
6/30/05	9,000	388.9%	(295,000)	35,000
6/30/06	9,000	644.4%	(344,000)	58,000

Municipal Interim

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/04	\$ 220,000	3.6%	\$ (369,000)	\$ 8,000
6/30/05	279,000	3.2%	(99,000)	9,000
6/30/06	173,000	141.0%	(170,000)	244,000

Non-Union

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)	Actual Contribution
6/30/04	\$ 274,000	51.1%	\$ (33,000)	\$ 140,000
6/30/05	321,000	45.2%	143,000	145,000
6/30/06	445,000	41.1%	405,000	183,000

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

The following is a summary of certain significant actuarial assumptions and other information.

	Police	Fire	Public Works	Municipal Interim	Non-Union
Valuation Date	July 1, 2005	July 1, 2005	July 1, 2005	July 1, 2005	July 1, 2005
Actuarial cost method	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Remaining amortization Period, closed	Various	Various	Various	N/A	Various
Asset valuation method	3-Year Average of Market Value	3-Year Average of Market Value	3-Year Average of Market Value	Market value as of 6/30/06	AAV Reset to Market Value
Actuarial assumptions:					
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases	4.5%	4.5%	4.5%	4.5%	4.5%
Inflation rate	5.0%	5.0%	5.0%	5.0%	5.0%

Employer contribution history is as follows:

Year Ended June 30,	Police		Fire		Public Works	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2006	\$ -	> 100%	\$ -	> 100%	\$ -	> 100%
2005	-	> 100%	-	> 100%	-	> 100%
2004	-	> 100%	-	> 100%	-	> 100%
2003	-	> 100%	-	> 100%	-	> 100%
2002	-	> 100%	-	> 100%	-	> 100%
2001	-	> 100%	-	> 100%	-	> 100%

Year Ended June 30,	Municipal Interim		Non-Union	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2006	\$ 167,168	> 100%	\$ 451,681	40.55%
2005	248,955	3.2%	319,748	45.2%
2004	178,742	3.6%	266,908	51.1%
2003	-	-	144,150	77.10%
2002	-	-	104,000	26.2%
2001	-	-	22,000	> 100%

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police						
July 1, 2005	\$ 53,591,748	\$ 53,591,748	\$ -	100.00%	\$ 4,361,181	0.00%
July 1, 2004	*	*	*	*	*	*
July 1, 2003	49,705,675	49,705,675	-	100.00%	3,251,410	0.00%
July 1, 2002	*	*	*	*	*	*
July 1, 2001	50,574,237	50,402,064	172,173	100.34%	3,460,639	(4.98%)
July 1, 2000	*	*	*	*	*	*
July 1, 1999	44,055,810	45,646,636	(1,590,826)	96.51%	3,389,981	46.93%
Fire						
July 1, 2005	\$ 40,587,158	\$ 40,587,158	\$ -	100.00%	\$ 3,354,697	0.00%
July 1, 2004	*	*	*	*	*	*
July 1, 2003	37,358,077	37,358,077	-	100.00%	2,789,902	0.00%
July 1, 2002	*	*	*	*	*	*
July 1, 2001	37,560,630	37,407,175	153,455	100.41%	2,951,161	(5.20%)
July 1, 2000	*	*	*	*	*	*
July 1, 1999	32,550,887	33,595,212	(1,044,325)	96.89%	2,882,706	36.23%
Public Works						
July 1, 2005	\$ 10,573,871	\$ 10,573,871	\$ -	100.00%	\$ 1,691,264	0.00%
July 1, 2004	*	*	*	*	*	*
July 1, 2003	9,758,316	9,758,316	-	100.00%	1,683,567	0.00%
July 1, 2002	*	*	*	*	*	*
July 1, 2001	10,027,267	9,886,190	141,077	101.43%	1,660,460	(8.50%)
July 1, 2000	*	*	*	*	*	*
July 1, 1999	9,042,289	9,170,052	(127,763)	98.61%	1,480,597	8.60%
Municipal Interim						
July 1, 2005	\$ 37,590,990	\$ 33,225,563	\$ (4,365,427)	113.14%	\$ 11,560,277	(37.76%)
July 1, 2004	*	*	*	*	*	*
July 1, 2003	33,582,137	31,497,817	(2,084,320)	106.62%	11,560,277	(18.03%)
July 1, 2002	*	*	*	*	*	*
July 1, 2001	34,711,553	33,372,243	1,339,310	104.01%	9,296,842	(14.41%)
July 1, 2000	*	*	*	*	*	*
July 1, 1999	30,713,623	30,330,292	383,331	101.26%	7,644,153	(5.01%)
Non-Union						
July 1, 2005	\$ 17,364,336	\$ 18,414,013	\$ (1,049,677)	94.30%	\$ 4,777,631	(21.97%)
July 1, 2004	*	*	*	*	*	*
July 1, 2003	16,630,394	17,473,318	(842,924)	95.16%	4,777,631	(2.41%)
July 1, 2002	*	*	*	*	*	*
July 1, 2001	15,920,626	15,810,336	110,290	100.70%	3,947,662	(2.79%)
July 1, 2000	*	*	*	*	*	*
July 1, 1999	13,905,666	13,981,597	(75,931)	99.5%	3,659,196	2.10%

* Information not available.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2006

	Pension Trust Funds					Totals
	Police	Fire	Public Works	Municipal Interim	Non-Union	
ASSETS						
Cash and cash equivalents	\$ 2,540,985	\$ 1,899,646	\$ 505,129	\$ 1,736,939	\$ 797,766	\$ 7,480,465
Investments, at fair value						
U.S. Government obligations	14,743,182	11,148,286	2,967,081	9,880,009	4,515,870	43,254,428
Corporate Bonds	8,842,836	6,686,647	1,779,630	5,925,946	2,708,581	25,943,640
Mutual Funds - Equities	31,875,147	24,102,886	6,414,908	21,360,836	9,763,427	93,517,204
Total investments	55,461,165	41,937,819	11,161,619	37,166,791	16,987,878	162,715,272
Total Assets	58,002,150	43,837,465	11,666,748	38,903,730	17,785,644	170,195,737
Net Assets Held in Trust						
For Pension Benefits	\$ 58,002,150	\$ 43,837,465	\$ 11,666,748	\$ 38,903,730	\$ 17,785,644	\$ 170,195,737

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2006

**SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2006**

	Pension Trust Funds					Totals
	Police	Fire	Public Works	Municipal Interim	Non-Union	
Additions						
Contributions:						
Employer	\$ 45,700	\$ 38,200	\$ 58,372	\$ 243,973	\$ 183,145	\$ 569,390
Plan members	390,151	310,092	166,290	423,901	185,563	1,475,997
Total contributions	435,851	348,292	224,662	667,874	368,708	2,045,387
Investment Income						
Net appreciation in fair value of investments	1,982,142	1,502,543	394,088	1,325,327	609,004	5,813,104
Interest and dividends	1,284,776	973,912	255,437	859,045	394,742	3,767,912
Net investment income	3,266,918	2,476,455	649,525	2,184,372	1,003,746	9,581,016
Other revenue	3,204	2,458	885	6,240	1,471	14,258
Total additions	3,705,973	2,827,205	875,072	2,858,486	1,373,925	11,640,661
Deductions						
Benefits	1,854,449	1,558,193	372,734	1,545,203	869,623	6,200,202
Other	34,096	-	-	544	580	35,220
Net change in net assets	1,817,428	1,269,012	502,338	1,312,739	503,722	5,405,239
Net Assets Held in Trust						
Beginning of year	56,184,722	42,568,453	11,164,410	37,590,991	17,281,922	164,790,498
End of year	<u>\$ 58,002,150</u>	<u>\$ 43,837,465</u>	<u>\$ 11,666,748</u>	<u>\$ 38,903,730</u>	<u>\$ 17,785,644</u>	<u>\$ 170,195,737</u>

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the Plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06105.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$4,991,000 for the year ended June 30, 2006.

Note 12. Risk Management

The Town is exposed to various risks of loss including torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health, natural disaster, public official liability and police professional liability. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee health and workers' compensation. The Town has established three self-insurance funds, one for Town employees, one for Board of Education employees, and one for Worker's Compensation. All funds are accounted for as internal service funds.

Town

Under the Town's current medical insurance policy, the plan covers all employee claims submitted with stop loss coverage for claims in excess of 120% of expected claim level, determined by Blue Cross/Blue Shield at the beginning of each contract. The Town also offers a Health Maintenance Organization (HMO) as an alternative to all employees with specific limits for maximum annual benefits and co-payments.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2006**

The Town's approximate maximum exposure for the year ended June 30, 2006 was approximately \$4,362,000 of which approximately \$3,350,000 was paid.

The plan is funded by monthly contributions from the general fund.

Board of Education

Under the Board's current medical insurance policy, the plan coverages vary depending on the union agreements. The plan provides coverage for hospital, major medical and dental. The five unions covered are teachers; administrators and executive secretaries; custodians, maintenance and aides; cafeteria workers and nurses. Depending on the union, there are different coverages, maximum benefits, deductibles and required contributions to the plan. The Board of Education also offers HMOs as an alternative to all employees with specific limits for maximum benefits per year and co-payments. The Board of Education has entered into a modified minimum premium agreement with the Travelers Plan Administrators. Under the agreement, the maximum aggregate limit factor is 87% of the annual premiums paid. The 13% represents Travelers' administration and claim processing fee.

The Board of Education's approximate maximum exposure for the year ended June 30, 2006 was approximately \$12,270,000 of which approximately \$8,954,000 was paid.

The plan is funded monthly by Board of Education budget appropriations and employee contributions as required.

Under Public Act 89-342, health insurance for retired teachers, a subsidy equal to the equivalent flat dollar premium amount for Blue Cross/Blue Shield coverage, will be paid by the State directly to local school districts, which will apply the subsidy to reduce premium payments of the retired member/spouse covered by the local school district plan. The retired member/spouse is required to pay the difference directly to the local school district. The funding for the State Teachers' Retirement Board is provided by the members' 1% supplemental contributions, which, since July 1, 1989, have been directed to a dedicated health insurance fund. There is no cost to the Town.

Worker's Compensation

The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Connecticut General Statutes, for workers' compensation and employer liability coverage. CIRMA currently has 215 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws.

Settled claims have not exceeded commercial coverage nor has coverage been materially reduced in any of the last three years.

The Town is self-insured for worker's compensation claims. The Town records expenses for its self-insurance claims in the General Fund. The Town recognizes a liability for worker's compensation claims payable and for claims incurred but not reported based on actuarial analysis of claim history and for other self-insured claims which are probable of loss based on a case-by-case review. The Town's maximum potential liability under this Plan is approximately \$913,000 for fiscal year 2006.

Claims transactions for the last two years for the Town's health and worker's compensation insurance and the Board of Education's medical insurance are as follows:

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
Town:				
2006	\$ 1,036,163	\$ 3,580,264	\$ 3,496,231	\$ 1,120,196
2005	\$ 720,388	\$ 4,120,667	\$ 3,804,892	\$ 1,036,163
Board of Education:				
2006	\$ 742,108	\$ 10,312,719	\$ 10,143,640	\$ 911,187
2005	\$ 809,162	\$ 8,940,362	\$ 9,007,416	\$ 742,108

Note 13. Other Post-Employment Benefits

In addition to providing pension benefits, the Town instituted a policy providing 50% to 60% of certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability. The cost of retiree health care is appropriated each year in the budget and amounted to approximately \$868,600 for the fiscal year ended June 30, 2006. The number of employees eligible to receive these benefits was 156.

The Town pays benefits under the Heart and Hypertension Act to three (3) retirees whose disabilities are claimed to be job related. Benefits are funded on a pay-as-you-go basis. There were approximately \$104,000 of payments made during the year ended June 30, 2006. These payments are in addition to the disability pension payments made from the Pension Fund.

TOWN OF WESTPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2006

Note 14. Fund Deficits

The following funds had fund deficits as of June 30, 2006:

Municipal Improvements Fund Phase II	\$ 13,694,853
Educational Grants Fund	6,804
Educational Facilities Improvement Fund – Phase VII	9,646

The Town anticipates financing the deficits in the funds through authorized bond issues and grants.

Note 15. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2006 that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- ◆ GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” issued April 2004, will be effective for the Town beginning with the year ended June 30, 2007. This Statement establishes uniform financial reporting standards for OPEB (other postemployment benefits) and supersedes the interim guidance included in Statement No. 26, “Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans.”
- ◆ GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,” issued June 2004, will be effective for the Town beginning with the year ending June 30, 2008. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits, expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.
- ◆ Additionally, the Governmental Accounting Standards Board issued Statement Number 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,” in September 2006, which will be effective for the Town beginning with the year ending June 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

**SUPPLEMENTAL AND COMBINING
FUND STATEMENTS AND SCHEDULES**

General Fund

TOWN OF WESTPORT, CONNECTICUT

**GENERAL FUND REVENUES AND TRANSFERS IN -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
PROPERTY TAXES				
Current levy	\$ 126,279,443	\$ 124,600,000	\$ 125,227,654	\$ 627,654
Prior levies	900,000	1,700,000	1,467,608	(232,392)
Total property taxes	127,179,443	126,300,000	126,695,262	395,262
EDUCATION				
Staples trust fund	22,000	19,000	19,426	426
Tuition	271,000	248,000	286,141	38,141
Sundries	30,000	30,000	153,255	123,255
Total education	323,000	297,000	458,822	161,822
PARKS AND RECREATION	3,745,600	3,683,000	3,698,426	15,426
INCOME FROM INVESTMENTS	800,000	900,000	912,965	12,965
INTERGOVERNMENTAL				
In lieu of taxes	246,700	264,383	264,383	-
Pequot Indian grant	45,700	34,585	34,585	-
School construction grants	537,000	537,000	489,952	(47,048)
Elderly tax relief	125,000	115,800	115,855	55
Boat registration	159,500	159,515	159,515	-
Emergency management	12,000	12,000	-	(12,000)
Shellfish Commission	2,500	3,051	3,051	-
Veterans' exemption	7,500	7,667	7,667	-
Other	52,000	60,000	38,659	(21,341)
Housing Authority Pilot Grant	25,000	27,000	22,615	(4,385)
New Machinery Grant	6,000	2,710	2,711	1
Historical Preservation Grant	10,000	-	-	-
State education grants	1,261,000	1,297,000	1,344,720	47,720
Total intergovernmental	2,489,900	2,520,711	2,483,713	(36,998)
PERMITS, FEES AND OTHER				
Licenses and Permits				
Town Clerk licenses	9,000	9,000	8,415	(585)
Building Inspector	1,250,000	1,800,000	1,837,553	37,553
Planning and Zoning	361,000	441,000	474,326	33,326
Zoning Board of Appeals	28,100	26,000	26,080	80
Conservation Commission	90,000	95,000	95,233	233
Town Clerk conveyance tax	1,000,000	2,400,000	2,504,666	104,666
Fire Department permits, etc.	2,000	2,000	1,521	(479)
Burglar alarms	90,000	90,000	83,332	(6,668)
Total licenses and permits	2,830,100	4,863,000	5,031,126	168,126

(Continued)

TOWN OF WESTPORT, CONNECTICUT

**GENERAL FUND REVENUES AND TRANSFERS IN -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
PERMITS, FEES AND OTHER, Continued				
Fines and Penalties				
Tax Collector - interest/liens	700,000	800,000	1,060,607	260,607
Police fines	225,000	235,000	279,314	44,314
Total fines and penalties	925,000	1,035,000	1,339,921	304,921
Current Service Charges				
Town Clerk recording fees	409,000	371,500	376,518	5,018
Public Works permits, etc.	25,000	40,000	34,648	(5,352)
Bulky waste charges	30,000	38,000	35,280	(2,720)
Town attorney reimbursement	20,000	82,000	86,695	4,695
Workers' compensation payments	100,000	100,000	102,389	2,389
Rental of facilities	510,000	525,000	543,452	18,452
Public Works refuse collection	11,300	13,000	13,130	130
EMS reimbursements	550,000	650,000	665,504	15,504
Housing Authority PILOT - Canal St.	25,000	25,000	31,428	6,428
Youth services	18,000	18,000	-	(18,000)
Solid waste tipping fees	100,000	250,000	244,945	(5,055)
Housing Authority loan payment	115,800	115,800	115,821	21
Total current services charges	1,914,100	2,228,300	2,249,810	21,510
Miscellaneous				
Sale of surplus property	1,000	2,000	3,937	1,937
Other	80,000	80,000	91,942	11,942
Telephone access line grant	340,000	248,300	248,339	39
Premiums	-	-	1,875	1,875
Unexpended prior year encumbrances	200,000	175,000	143,340	(31,660)
Total miscellaneous	621,000	505,300	489,433	(15,867)
Total permits, fees and other	6,290,200	8,631,600	9,110,290	478,690
TRANSFERS IN	1,001,900	958,400	780,356	(178,044)
Total	\$ 141,830,043	\$ 143,290,711	\$ 144,139,834	\$ 849,123

TOWN OF WESTPORT, CONNECTICUT

**GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
GENERAL GOVERNMENT				
Representative Town Meeting	\$ 37,459	\$ 42,804	\$ 37,761	\$ 5,043
Selectmen	285,855	294,915	292,293	2,622
Probate Court	14,948	14,948	14,290	658
Registrars	98,359	98,652	72,983	25,669
Elections	55,300	87,170	85,773	1,397
Board of Finance	14,900	14,900	12,401	2,499
Controller	620,975	645,912	622,054	23,858
Audit	91,900	91,900	90,200	1,700
Personnel	192,035	192,170	191,556	614
Assessor	389,641	400,903	394,789	6,114
Central communications	171,725	168,793	149,792	19,001
Tax Collector	309,268	320,868	314,208	6,660
Information services	437,840	443,289	443,274	15
Board of Tax Review	1,525	1,525	1,125	400
Town Attorney	607,947	690,827	687,655	3,172
Town Clerk	347,020	366,889	346,387	20,502
Historic District	26,100	26,100	25,836	264
Conservation	273,764	287,720	279,201	8,519
Planning and Zoning	492,039	512,577	499,061	13,516
Zoning Board of Appeals	59,738	63,232	59,496	3,736
Total general government	4,528,338	4,766,094	4,620,135	145,959
PUBLIC SAFETY AND PROTECTION				
Police Department	6,646,670	6,557,467	6,526,909	30,558
Vehicle maintenance	266,269	266,829	266,829	-
Dog Warden	124,907	131,170	119,052	12,118
Emergency medical service	890,655	906,727	887,426	19,301
Fire department	5,770,478	5,772,190	5,504,210	267,980
Water Service - Fire	980,000	980,000	932,052	47,948
Building inspection	284,465	297,226	288,902	8,324
Public Site and Building Commission	64,171	67,185	65,952	1,233
Westport emergency management	31,422	32,974	31,879	1,095
Total public safety and protection	15,059,037	15,011,768	14,623,211	388,557
PUBLIC WORKS				
Engineering	762,958	790,222	712,321	77,901
Highway	1,379,392	1,622,070	1,593,252	28,818
Equipment maintenance	272,313	291,436	274,795	16,641
Roadway maintenance	1,480,690	1,490,690	1,488,317	2,373
Street lighting	231,000	231,000	217,069	13,931

(Continued)

TOWN OF WESTPORT, CONNECTICUT

**GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
PUBLIC WORKS, Continued				
Solid waste disposal	1,881,630	1,903,633	1,874,155	29,478
Building maintenance	872,994	980,252	966,670	13,582
Building custodians	394,443	394,443	380,244	14,199
Maintenance of property	26,000	26,000	18,981	7,019
Maintenance parks and recreation	250,742	264,683	264,683	-
Tree maintenance	64,410	64,410	61,782	2,628
Total public works	7,616,572	8,058,839	7,852,269	206,570
PUBLIC HEALTH				
Health District	445,397	445,397	445,397	-
Health Services	3,700	3,700	3,700	-
Total public health	449,097	449,097	449,097	-
HUMAN SERVICES				
Youth Services	219,898	223,569	219,782	3,787
Social Services	209,782	244,080	233,038	11,042
Commission for the Elderly	325,432	330,796	329,094	1,702
Total human services	755,112	798,445	781,914	16,531
EDUCATION				
Board of Education	78,831,321	78,831,321	78,767,699	63,622
Rentals and reimbursement	-	152,026	152,025	1
Education - Section 10-217A	162,327	162,327	162,327	-
Debt service	14,038,218	14,038,218	13,904,207	134,011
Total education	93,031,866	93,183,892	92,986,258	197,634
LIBRARY	3,447,396	3,447,396	3,447,396	-
PARKS AND RECREATION				
Administration	465,636	485,267	485,142	125
Security	230,587	242,345	242,070	275
Maintenance and development	414,997	412,689	406,365	6,324
Boating	146,869	151,442	151,314	128
Park maintenance	348,851	363,851	350,694	13,157
Golf	698,452	704,717	701,787	2,930
Athletic field maintenance	273,416	292,244	287,152	5,092
Tennis	33,748	33,748	32,070	1,678
Beach and pool	226,500	239,698	238,193	1,505
Miscellaneous programs	694,615	739,054	734,452	4,602
Memorial Day	7,500	7,670	7,670	-
Ice skating	41,273	41,273	40,682	591
Total parks and recreation	3,582,444	3,713,998	3,677,591	36,407

TOWN OF WESTPORT, CONNECTICUT

**GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
OTHER				
Pensions	697,051	761,873	761,497	376
Insurance	7,432,900	7,819,497	7,726,174	93,323
Social Security	818,320	842,457	803,305	39,152
Unemployment compensation	20,000	39,960	39,960	-
Nature Center	77,250	77,250	77,250	-
Miscellaneous	316,100	358,578	350,390	8,188
Transportation service	239,031	258,473	258,473	-
Reserve for salary adjustment	139,244	11,649	3,500	8,149
Employee productivity	7,000	7,000	5,140	1,860
Accrued vacation	5,000	5,000	5,000	-
Total other	9,751,896	10,181,737	10,030,689	151,048
DEBT SERVICE				
Interest on bonds	1,114,468	1,114,468	1,114,468	-
Bond anticipation financing	198,325	198,325	131,384	66,941
Bond principal payments	1,712,850	1,712,850	1,712,850	-
Total debt service	3,025,643	3,025,643	2,958,702	66,941
CAPITAL OUTLAY				
General government	74,490	114,461	113,877	584
Public safety	331,500	429,120	421,111	8,009
Public works	135,905	135,905	132,973	2,932
Recreation	154,618	148,642	138,845	9,797
Human services	4,500	4,500	4,500	-
Total capital outlay	701,013	832,628	811,306	21,322
TRANSFERS OUT	1,381,629	1,381,629	1,381,629	-
Total	\$ 143,330,043	\$ 144,851,166	\$ 143,620,197	\$ 1,230,969

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Shellfish Commission Fund - is used to account for the revenues generated from the sale of licenses and for the expenditures as required by the State of Connecticut for maintaining shellfish beds.

Railroad Parking Reserve Fund- is used to account for the revenues transferred from the Railroad Parking Fund and expenditures as required by the State of Connecticut pursuant to a lease agreement between the Town of Westport and the Department of Transportation.

Railroad Parking Fund - is used to account for the revenues and expenditures related to the Railroad Parking operation.

Dog License Fund - is used to account for revenue from dog license fees and related expenditures.

State Aid for Town Highways Fund- is used to account for grant revenues from the State of Connecticut and expenditures allowable under the State Highway Grant program.

Heart and Hypertension Fund - is used to account for payment of claims relative to Heart and Hypertension law.

Youth Services Fund - is used to account for grant revenues from the State of Connecticut and expenditures related thereto.

Recreation Program Fund - is used to account for revenues collected to pay for various recreational activities.

Educational Grants Fund - is used to account for U.S. and Connecticut Department of Education grants relating to education that are administered by the Superintendent's office.

Adult Education Fund - is used to account for registration, textbook and grant revenues and related expenditures.

Summer School Fund - is used to account for registration and textbook revenues and related expenditures.

Cafeteria Fund - is used to account for the operations of the school cafeterias, including the receipt and expenditure of related federal and state funding.

Police Fund - is used to account for revenues related to police seizure and abandoned property programs.

Escrow Fund - is used to account for revenues transferred in for a specific purpose and expenditures directly related to transfers.

Insurance Reserve Fund - is used to account for revenues transferred from the General Fund used to pay deductibles for liability and property claims.

Capital Projects Funds

Capital projects funds are used to account for the acquisition of major capital facilities other than those financed by proprietary funds.

Real Property Fund - is used to account for revenues generated from the sale of surplus properties in the Town and expenditures to reacquire other real property.

Sewer Reserve Fund - is used to account for revenues transferred in from the Sewer Operating Fund. These revenues are generated through user fees and expenditures for renovations to existing sewers.

Educational Facilities Improvement Fund - is used to account for borrowed funds which are used to pay for educational facility improvements.

Educational Facilities Improvement - Fund Phase II – is used to account for borrowed funds which are used to pay for the second phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase III – is used to account for borrowed funds which are used to pay for the third phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase IV – is used to account for borrowed funds which are used to pay for the fourth phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase V – is used to account for borrowed funds which are used to pay for the fifth phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase VI – is used to account for borrowed funds which are used to pay for the sixth phase of educational facility improvements.

Educational Facilities Improvement - Fund Phase VII – is used to account for borrowed funds which are used to pay for the seventh phase of educational facility improvements.

Capital and Nonrecurring Fund - is used to account for various acquisitions, renovations and construction projects, as outlined in State of Connecticut statutes.

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest on long-term debt of the Town.

Permanent Funds

Mary A. Bedford Trust Fund – is used to account for a donation to support the Board of Education.

E.A. Nash Trust Fund – is used to account for a donation to support welfare payments.

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TOWN OF WESTPORT, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2006

	Special Revenue		
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund
ASSETS			
Cash and cash equivalents	\$ 40,710	\$ 660,076	\$ 1,070,607
Investments	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	150,279
Total assets	\$ 40,710	\$ 660,076	\$ 1,220,886
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 3,035	\$ -	\$ 1,390
Unearned revenue	-	-	392,756
Due to other funds	-	150,279	29,696
Total liabilities	3,035	150,279	423,842
Fund balances (deficits)			
Reserved for encumbrances	-	-	131,351
Unreserved and undesignated	37,675	509,797	665,693
Total fund balances (deficits)	37,675	509,797	797,044
Total liabilities and fund balances (deficits)	\$ 40,710	\$ 660,076	\$ 1,220,886

Special Revenue							
Dog License Fund	State Aid For Town Highways Fund	Heart and Hypertension Reserve Fund	Youth Services Fund	Recreation Program Fund	Educational Grants Fund	Adult Education Fund	
\$ 3,701	\$ 8,336	\$ 687,827	\$ 12,834	\$ 30,554	\$ 9,989	\$ 461,296	
-	-	-	-	-	-	-	
-	-	-	-	-	1,104	-	
16,640	190,000	-	-	-	21,444	-	
<u>\$ 20,341</u>	<u>\$ 198,336</u>	<u>\$ 687,827</u>	<u>\$ 12,834</u>	<u>\$ 30,554</u>	<u>\$ 32,537</u>	<u>\$ 461,296</u>	
\$ 10,711	\$ -	\$ -	\$ 179	\$ 1,410	\$ 10,544	\$ -	
-	-	-	-	-	28,797	-	
9,630	-	-	-	-	-	720	
<u>20,341</u>	<u>-</u>	<u>-</u>	<u>179</u>	<u>1,410</u>	<u>39,341</u>	<u>720</u>	
-	-	-	-	-	9,943	-	
-	198,336	687,827	12,655	29,144	(16,747)	460,576	
-	198,336	687,827	12,655	29,144	(6,804)	460,576	
<u>\$ 20,341</u>	<u>\$ 198,336</u>	<u>\$ 687,827</u>	<u>\$ 12,834</u>	<u>\$ 30,554</u>	<u>\$ 32,537</u>	<u>\$ 461,296</u>	

(Continued)

TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2006

	Special Revenue		
	Summer School Fund	Cafeteria Fund	Police Fund
ASSETS			
Cash and cash equivalents	\$ 1,053,128	\$ 244,618	\$ 26,824
Investments	-	-	-
Other receivables	-	30,654	-
Due from other funds	-	-	-
Total assets	\$ 1,053,128	\$ 275,272	\$ 26,824
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ -	\$ 184,935	\$ -
Unearned revenue	567,804	-	-
Due to other funds	-	-	-
Total liabilities	567,804	184,935	-
Fund balances (deficits)			
Reserved for encumbrances	-	-	-
Unreserved and undesignated	485,324	90,337	26,824
Total fund balances (deficits)	485,324	90,337	26,824
Total liabilities and fund balances (deficits)	\$ 1,053,128	\$ 275,272	\$ 26,824

Special Revenue		Capital Projects					
Escrow Fund	Insurance Reserve Fund	Real Property Fund	Sewer Reserve Fund	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase II	Educational Facilities Improvement Fund-Phase III	Educational Facilities Improvement Fund-Phase IV
\$ 462,430	\$ 728,492	\$ 84,865	\$1,967,172	\$ 4,508,600	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	250,000	-	7,012	-	-	17,244
<u>\$ 462,430</u>	<u>\$ 728,492</u>	<u>\$ 334,865</u>	<u>\$1,967,172</u>	<u>\$ 4,515,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,244</u>
\$ 17,569	\$ -	\$ -	\$ -	\$ 2,089,739	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
71	-	-	3,600	529,298	-	-	-
<u>17,640</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>2,619,037</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	89,874	1,801,871	-	-	17,244
444,790	728,492	334,865	1,873,698	94,704	-	-	-
<u>444,790</u>	<u>728,492</u>	<u>334,865</u>	<u>1,963,572</u>	<u>1,896,575</u>	<u>-</u>	<u>-</u>	<u>17,244</u>
<u>\$ 462,430</u>	<u>\$ 728,492</u>	<u>\$ 334,865</u>	<u>\$1,967,172</u>	<u>\$ 4,515,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,244</u>

(Continued)

TOWN OF WESTPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2006

	Capital Projects				Debt Service
	Educational Facilities Improvement Fund-Phase V	Educational Facilities Improvement Fund-Phase VI	Educational Facilities Improvement Fund-Phase VII	Capital and Nonrecurring Fund	Debt Service Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,126,846	\$ -
Investments	-	-	-	979,690	2,975,179
Other receivables	-	-	-	-	-
Due from other funds	4,103	2,415	-	100,000	-
Total assets	\$ 4,103	\$ 2,415	\$ -	\$ 6,206,536	\$ 2,975,179
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 84,986	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	9,646	524,885	-
Total liabilities	-	-	9,646	609,871	-
Fund balances (deficits)					
Reserved for encumbrances	4,103	2,415	-	76,084	-
Unreserved and undesignated	-	-	(9,646)	5,520,581	2,975,179
Total fund balances (deficits)	4,103	2,415	(9,646)	5,596,665	2,975,179
Total liabilities and fund balances (deficits)	\$ 4,103	\$ 2,415	\$ -	\$ 6,206,536	\$ 2,975,179

Permanent Funds		
Mary A. Bedford Trust	E.A. Nash Trust	Totals
\$ 16,689	\$ 2,576	\$ 17,208,170
-	-	3,954,869
-	-	31,758
-	-	759,137
<u>\$ 16,689</u>	<u>\$ 2,576</u>	<u>\$ 21,953,934</u>
\$ -	\$ -	\$ 2,404,498
-	-	989,357
1,972	396	1,260,193
<u>1,972</u>	<u>396</u>	<u>4,654,048</u>
-	-	2,132,885
14,717	2,180	15,167,001
<u>14,717</u>	<u>2,180</u>	<u>17,299,886</u>
<u>\$ 16,689</u>	<u>\$ 2,576</u>	<u>\$ 21,953,934</u>

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006**

	Special Revenue		
	Shellfish Commission Fund	Railroad Parking Reserve Fund	Railroad Parking Fund
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Permits, fees and other	9,082	1,236	1,203,927
Income from investments	806	9,009	9,552
Contributions	-	-	-
Charges for services	-	-	53,958
Total revenues	9,888	10,245	1,267,437
EXPENDITURES			
General government	3,600	-	-
Public works	-	-	1,040,565
Human services	-	-	-
Parks and recreation	-	-	-
Public safety	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Total expenditures	3,600	-	1,040,565
Total revenues over (under) expenditures	6,288	10,245	226,872
OTHER FINANCING SOURCES (USES)			
Transfers in	-	59,690	-
Transfers out	-	-	(167,181)
Bond proceeds	-	-	-
Total other financing sources (uses)	-	59,690	(167,181)
Net change in fund balances (deficits)	6,288	69,935	59,691
FUND BALANCES (DEFICITS), beginning	31,387	439,862	737,353
FUND BALANCES (DEFICITS), ending	\$ 37,675	\$ 509,797	\$ 797,044

Special Revenue						
Dog License Fund	State Aid For Town Highways Fund	Heart and Hypertension Fund	Youth Services Fund	Recreation Program Fund	Educational Grants Fund	Adult Education Fund
\$ -	\$ 182,952	\$ -	\$ 22,131	\$ -	\$ 1,366,103	\$ -
18,995	-	-	-	-	-	-
-	3,833	23,446	-	-	-	11,215
-	-	-	-	-	-	-
-	-	-	-	60,622	-	791,487
18,995	186,785	23,446	22,131	60,622	1,366,103	802,702
-	-	-	-	-	-	-
-	150,000	-	-	-	-	-
-	-	-	19,709	-	-	-
-	-	-	-	47,284	-	-
14,078	-	-	-	-	-	-
-	-	-	-	-	1,379,224	650,663
-	-	-	-	-	-	-
14,078	150,000	-	19,709	47,284	1,379,224	650,663
4,917	36,785	23,446	2,422	13,338	(13,121)	152,039
-	-	-	-	-	-	-
(4,917)	(3,833)	-	-	-	-	-
-	-	-	-	-	-	-
(4,917)	(3,833)	-	-	-	-	-
-	32,952	23,446	2,422	13,338	(13,121)	152,039
-	165,384	664,381	10,233	15,806	6,317	308,537
\$ -	\$ 198,336	\$ 687,827	\$ 12,655	\$ 29,144	\$ (6,804)	\$ 460,576

(Continued)

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006**

	Special Revenue				
	Summer School Fund	Cafeteria Fund	Police Fund	Escrow Fund	Insurance Reserve Fund
REVENUES					
Intergovernmental	\$ -	\$ 105,930	\$ -	\$ 105,008	\$ -
Permits, fees and other	-	-	-	1,009,996	103,641
Income from investments	19,738	2,001	107	4,549	22,680
Contributions	-	-	-	198,190	-
Charges for services	653,463	2,081,132	-	-	-
Total revenues	673,201	2,189,063	107	1,317,743	126,321
EXPENDITURES					
General government	-	-	-	1,127,715	145,056
Public works	-	-	-	-	-
Human services	-	-	-	128,809	-
Parks and recreation	-	-	-	17,788	-
Public safety	-	-	-	84,963	-
Education	571,358	2,103,545	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	571,358	2,103,545	-	1,359,275	145,056
Total revenues over (under) expenditures	101,843	85,518	107	(41,532)	(18,735)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(4,549)	-
Bond proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(4,549)	-
Net change in fund balances	101,843	85,518	107	(46,081)	(18,735)
FUND BALANCES (DEFICITS), beginning	383,481	4,819	26,717	490,871	747,227
FUND BALANCES (DEFICITS), ending	\$ 485,324	\$ 90,337	\$ 26,824	\$ 444,790	\$ 728,492

Capital Projects						
Real Property Fund	Sewer Reserve Fund	Educational Facilities Improvement Fund	Educational Facilities Improvement Fund-Phase II	Educational Facilities Improvement Fund-Phase III	Educational Facilities Improvement Fund-Phase IV	Educational Facilities Improvement Fund-Phase V
\$ -	\$ -	\$ 1,663,550	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
9,109	51,023	106,846	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,109	51,023	1,770,396	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	256,332	16,812,931	-	-	-	-
-	256,332	16,812,931	-	-	-	-
9,109	(205,309)	(15,042,535)	-	-	-	-
50,000	280,000	-	-	-	-	56,942
-	-	(106,846)	(20,224)	(74,738)	(15,862)	-
-	-	7,350,000	-	-	-	-
50,000	280,000	7,243,154	(20,224)	(74,738)	(15,862)	56,942
59,109	74,691	(7,799,381)	(20,224)	(74,738)	(15,862)	56,942
275,756	1,888,881	9,695,956	20,224	74,738	33,106	(52,839)
\$ 334,865	\$ 1,963,572	\$ 1,896,575	\$ -	\$ -	\$ 17,244	\$ 4,103

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006**

	Capital Projects			Debt Service
	Educational Facilities Improvement Fund-Phase VI	Educational Facilities Improvement Fund-Phase VII	Capital and Nonrecurring	Debt Service Fund
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 292,509	\$ -
Permits, fees and other	-	-	115,825	-
Income from investments	-	-	181,163	(96,251)
Contributions	-	-	-	-
Charges for services	-	-	-	-
Total revenues	-	-	589,497	(96,251)
EXPENDITURES				
General government	-	-	-	-
Public works	-	-	-	-
Human services	-	-	-	-
Parks and recreation	-	-	-	-
Public safety	-	-	-	-
Education	-	12,033	-	-
Capital outlay	1,815	-	2,441,962	-
Total expenditures	1,815	12,033	2,441,962	-
Total revenues over (under) expenditures	(1,815)	(12,033)	(1,852,465)	(96,251)
OTHER FINANCING SOURCES (USES)				
Transfers in	53,882	2,387	1,050,000	-
Transfers out	(2,386)	-	-	(546,507)
Bond proceeds	-	-	-	-
Total other financing sources (uses)	51,496	2,387	1,050,000	(546,507)
Net change in fund balances	49,681	(9,646)	(802,465)	(642,758)
FUND BALANCES (DEFICITS), beginning	(47,266)	-	6,399,130	3,617,937
FUND BALANCES (DEFICITS), ending	\$ 2,415	\$ (9,646)	\$ 5,596,665	\$ 2,975,179

Permanent Funds		
Mary A. Bedford Trust	E.A. Nash Trust	Totals
\$ -	\$ -	\$ 3,738,183
-	-	2,462,702
80	10	358,916
-	-	198,190
-	-	3,640,662
80	10	10,398,653
-	-	1,276,371
-	-	1,190,565
-	-	148,518
-	-	65,072
-	-	99,041
-	-	4,716,823
-	-	19,513,040
-	-	27,009,430
80	10	(16,610,777)
-	-	1,552,901
(80)	(10)	(947,133)
-	-	7,350,000
(80)	(10)	7,955,768
-	-	(8,655,009)
14,717	2,180	25,954,895
\$ 14,717	\$ 2,180	\$ 17,299,886

TOWN OF WESTPORT, CONNECTICUT

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
TRANSFERS - BUDGETARY BASIS - BUDGET AND ACTUAL
SEWER OPERATING FUND
For the Year Ended June 30, 2006**

	Sewer Operating Fund			Variance With
	Budgeted Amounts		Actual	Final Budget
	Original	Final		Positive
				(Negative)
REVENUES AND TRANSFERS				
Sewer assessment - current	\$ 505,000	\$ 605,000	\$ 726,912	\$ 121,912
Sewer user charges - current	1,458,328	1,458,328	1,350,206	(108,122)
Sewer dumping fees - connection permits	10,000	10,000	14,394	4,394
Sewer interest	30,000	30,000	61,526	31,526
Sewer carrying charges	230,000	230,000	236,348	6,348
General Fund Debt Service contribution	72,784	72,784	72,784	-
General Fund Sewer Operations contribution	208,845	208,845	208,845	-
Sewer use cap recovery - PI 1983	110,741	110,741	110,741	-
Sewer use cap recovery - PI 1992	60,514	60,514	60,514	-
Sewer use cap recovery - PI 2000	186,014	186,014	186,014	-
Sewer use capital - State loan	262,500	262,500	262,500	-
Total revenues state loan 450000	3,134,726	3,234,726	3,290,784	56,058
EXPENDITURES AND TRANSFERS OUT				
Interest on bonds	637,603	637,603	507,602	130,001
Bond principal payments	789,950	789,950	789,950	-
Sewage treatment budget	856,265	898,724	778,318	120,406
Sewer collection budget	570,908	596,467	559,018	37,449
Transfers out	280,000	280,000	280,000	-
Total expenditures	3,134,726	3,202,744	2,914,888	287,856
Revenues and transfers in over (under)				
expenditures and transfers out	\$ -	\$ 31,982	\$ 375,896	\$ 343,914

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost reimbursement basis. The Town has three such funds.

Town Health Insurance Fund - is used to account for the revenues and related expenses for the health self-insurance plan for employees of the Town.

Worker's Compensation Fund – is used to account for the revenues and related expenses for worker's compensation for employees of the Town.

Board of Education Health Insurance Fund - is used to account for the revenues and related expenses for the health self-insurance plan for employees of the Board of Education.

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS**

June 30, 2006

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
ASSETS				
Cash and cash equivalents	\$ 2,152,364	\$ 583,043	\$ 3,528,652	\$ 6,264,059
Due from other funds	54,000	250,000	-	304,000
Total assets	2,206,364	833,043	3,528,652	6,568,059
LIABILITIES				
Accounts payable	55,270	-	-	55,270
Claims incurred but not reported	501,000	619,196	911,187	2,031,383
Total liabilities	556,270	619,196	911,187	2,086,653
Net Assets-Unrestricted	\$ 1,650,094	\$ 213,847	\$ 2,617,465	\$ 4,481,406

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2006**

	Town Health Insurance	Worker's Compensation	Board of Education Health Insurance	Totals
OPERATING REVENUES				
Charges for services	\$ 4,097,542	\$ 345,304	\$ 10,551,684	\$ 14,994,530
Total operating revenues	4,097,542	345,304	10,551,684	14,994,530
OPERATING EXPENSES				
Claims incurred	3,461,152	380,383	10,143,640	13,985,175
Administration	555,628	-	905,252	1,460,880
Total operating expenses	4,016,780	380,383	11,048,892	15,446,055
Operating income (loss)	80,762	(35,079)	(497,208)	(451,525)
NONOPERATING INCOME				
Interest income	66,294	22,436	90,683	179,413
Change in net assets	147,056	(12,643)	(406,525)	(272,112)
NET ASSETS, beginning	1,503,038	226,490	3,023,990	4,753,518
NET ASSETS, ending	\$ 1,650,094	\$ 213,847	\$ 2,617,465	\$ 4,481,406

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2006

	Town Health Insurance	Workers' Compensation	Board of Education Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	\$ 4,097,542	\$ 345,304	\$ 10,551,684	\$ 14,994,530
Cash paid to vendors and beneficiaries	(3,887,584)	(385,278)	(10,879,813)	(15,152,675)
Net cash provided by (used in) operating activities	209,958	(39,974)	(328,129)	(158,145)
CAPITAL FLOWS FROM INVESTING ACTIVITIES				
Interest on cash and cash equivalents	66,294	22,436	90,683	179,413
Net cash provided by investing activities	66,294	22,436	90,683	179,413
Net increase (decrease) in cash and cash equivalents	276,252	(17,538)	(237,446)	21,268
CASH AND CASH EQUIVALENTS				
Beginning	1,876,112	600,581	3,766,098	6,242,791
Ending	<u>\$ 2,152,364</u>	<u>\$ 583,043</u>	<u>\$ 3,528,652</u>	<u>\$ 6,264,059</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 80,762	\$ (35,079)	\$ (497,208)	\$ (451,525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Increase (decrease) in accounts payable	45,163	(4,895)		40,268
Increase in claims payable	84,033	-	169,079	253,112
Net cash provided by (used in) operating activities	\$ 209,958	\$ (39,974)	\$ (328,129)	\$ (158,145)

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Fiduciary Funds

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts and Agency Funds.

- ii. **Agency Funds** – Agency funds are custodial in nature (assets equal liabilities). The Town's Agency Funds are listed below:

P&Z Escrow Fund
Senior Citizen Escrow Fund
Tri-Centennial Fund
Parents as Teachers Fund

Student Activities Fund
Performance Bonds Fund
Hillspoint School Escrow Fund

TOWN OF WESTPORT, CONNECTICUT

COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 2006

	Agency Funds							
	P&Z Escrow	Senior Citizen Escrow	Tri- Centennial Fund	Parents as Teachers	Student Activities	Performance Bonds	Hillspoint School Escrow	Total Agency Funds
ASSETS								
Cash and cash equivalents	\$ 732,913	\$ 38,597	\$ 4,102	\$ 4,534	\$ 636,193	\$ 687,718	\$ 146,151	\$ 2,250,208
Investments	-	-	-	-	-	-	-	-
Total assets	\$ 732,913	\$ 38,597	\$ 4,102	\$ 4,534	\$ 636,193	\$ 687,718	\$ 146,151	\$ 2,250,208
LIABILITIES								
Liabilities								
Due to student groups	-	-	-	-	636,193	-	-	636,193
Amount held as agent	732,913	38,597	4,102	4,534	-	687,718	146,151	1,614,015
Total liabilities	\$ 732,913	\$ 38,597	\$ 4,102	\$ 4,534	\$ 636,193	\$ 687,718	\$ 146,151	\$ 2,250,208

TOWN OF WESTPORT, CONNECTICUT

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS**

For the Year Ended June 30, 2006

	Balance July 1, 2005	Net Additions (Deletions)	Balance June 30, 2006
STUDENT ACTIVITIES FUNDS			
Assets			
Cash	\$ 620,747	\$ 15,446	\$ 636,193
Liabilities			
Due to student groups	\$ 620,747	\$ 15,446	\$ 636,193
OTHER FUNDS			
Assets			
Cash	\$ 1,585,601	\$ 28,414	\$ 1,614,015
Liabilities			
Amounts held as agent	\$ 1,585,601	\$ 28,414	\$ 1,614,015
TOTAL AGENCY FUNDS			
Assets			
Cash	\$ 2,206,348	\$ 43,860	\$ 2,250,208
Liabilities			
Due to student groups	\$ 620,747	\$ 15,446	\$ 636,193
Amount held as agent	1,585,601	28,414	1,614,015
	\$ 2,206,348	\$ 43,860	\$ 2,250,208

**Capital Assets Used in the Operation
of Governmental Funds**

TOWN OF WESTPORT, CONNECTICUT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY CATEGORY
June 30, 2006

Governmental funds capital assets:

Land	\$ 32,384,800
Buildings	157,221,174
Land improvements	10,440,369
Machinery and equipment	25,280,569
Infrastructure	94,038,682
Construction in progress	130,556,225
Total governmental funds capital assets	\$ 449,921,819

TOWN OF WESTPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

Year Ended June 30, 2006

	Land	Buildings	Land Improvements	Infrastructure	Machinery and Equipment	Construction in Progress	Total
General Government	\$ 1,105,000	\$ 2,530,714	\$ 292,842	\$ -	\$ 2,004,072	\$ -	\$ 5,932,628
Public Safety	317,000	5,920,118	537,540	-	8,296,222	3,074,409	18,145,289
Public Works	13,535,800	18,369,019	874,378	90,727,182	6,196,150	23,422,586	153,125,115
Human Services	-	-	-	-	25,305	4,363,697	4,389,002
Education	991,500	116,446,713	4,690,643	-	5,365,687	97,557,811	225,052,354
Library	-	9,365,905	161,743	-	1,290,557	-	10,818,205
Parks and Recreation	16,435,500	4,588,705	3,883,223	3,311,500	2,102,576	2,137,722	32,459,226
Total	\$32,384,800	\$157,221,174	\$ 10,440,369	\$ 94,038,682	\$25,280,569	\$130,556,225	\$ 449,921,819

TOWN OF WESTPORT, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES**

Year Ended June 30, 2006

	Governmental Funds Capital Assets				Governmental Funds Capital Assets
	July 1, 2005	Additions	Deletions	Transfers	June 30, 2006
General Government	\$ 5,878,255	\$ 41,547	\$ 24,729	\$ 37,555	\$ 5,932,628
Public Safety	14,882,157	3,562,368	210,559	(88,677)	18,145,289
Public Works	137,330,399	15,865,956	76,812	5,573	153,125,116
Human Services	4,356,648	32,354	-	-	4,389,002
Education	207,939,816	17,088,553	-	23,985	225,052,354
Library	10,672,609	145,595	-	-	10,818,204
Parks and Recreation	31,365,787	1,122,066	50,191	21,564	32,459,226
Total	\$412,425,671	\$ 37,858,439	\$ 362,291	\$ -	\$449,921,819

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Other Schedules

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TOWN OF WESTPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2006

Grand List Year	Balance Uncollected July 1, 2005	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2004	\$ -	\$ 126,421,711	\$ 1,124,693	\$ 696,847	\$ -	\$126,849,557
2003	2,168,827	-	2,756	70,113	(211,050)	1,890,420
2002	1,025,318	-	1,159	4,670	-	1,021,807
2001	646,706	-	596	1,216	-	646,086
2000	406,463	-	-	-	-	406,463
1999	262,200	-	163	-	-	262,363
1998	136,802	-	-	1,065	-	135,737
1997	114,474	-	-	837	-	113,637
1996	90,711	-	340	1,043	-	90,008
1995	138,786	-	-	649	-	138,137
1994	119,270	-	-	1,043	-	118,227
1993	89,001	-	-	-	-	89,001
1992	87,894	-	-	-	-	87,894
1991	65,861	-	-	-	-	65,861
1990	69,511	-	60	-	-	69,571
1989	54,924	-	-	46,605	-	8,319
1988	-	-	-	-	4,634	4,634
suspense	-	-	-	-	113,316	113,316
	<u>\$ 5,476,748</u>	<u>\$ 126,421,711</u>	<u>\$ 1,129,767</u>	<u>\$ 824,088</u>	<u>\$ (93,100)</u>	<u>\$132,111,038</u>

Collections					Balance Uncollected June 30, 2006
Taxes	Refunds	Interest	Fees	Total	
\$125,046,330	\$160,900	\$ 344,503	\$ 4,437	\$ 125,234,370	\$ 1,964,127
1,050,834	45,397	175,583	5,692	1,186,712	884,983
254,605	1,077	116,324	7,801	377,653	768,279
161,792	183	89,686	1,586	252,881	484,477
93,223	-	67,029	910	161,162	313,240
65,456	284	52,881	655	118,708	197,191
26,391	-	22,550	569	49,510	109,346
19,420	-	15,054	293	34,767	94,217
11,421	-	18,668	488	30,577	78,587
10,561	-	17,856	372	28,789	127,576
9,718	-	19,262	424	29,404	108,509
9,380	-	13,946	323	23,649	79,621
13,089	-	16,018	140	29,247	74,805
6,944	-	18,966	95	26,005	58,917
8,958	-	17,607	230	26,795	60,613
8,319	-	14,264	(2)	22,581	-
4,634	-	11,824	55	16,513	-
113,567	252	4,519	-	117,834	1
<u>\$126,914,642</u>	<u>\$208,093</u>	<u>\$ 1,036,540</u>	<u>\$24,068</u>	<u>\$ 127,767,157</u>	<u>\$ 5,404,489</u>

TOWN OF WESTPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN SEWER ASSESSMENTS AND
SEWER USE CHARGES RECEIVABLE**

For the Year Ended June 30, 2006

	Balance Uncollected July 1, 2005	Current Year Levy	Less Lawful Corrections	Adjusted Amount Collectible	Assessments Collections
SEWER ASSESSMENTS:					
Project #1	\$ 89,550	\$ 38,593	\$ -	\$ 128,143	\$ 8,815
Project #2	40,108	6,630	-	46,738	4,422
Project #3	48,380	-	-	48,380	3,959
Project #4	113,677	624,158	-	737,835	76,114
Project #5	47,984	564,933	-	612,917	105,497
Project #6	1,735	-	-	1,735	348
Project #7	37,816	-	-	37,816	11,027
Project #8	196,737	-	-	196,737	40,067
Project #9	489,658	13,017	-	502,675	67,453
Project #10	757,335	6,460	-	763,795	108,215
Project #11	1,345,047	32,059	-	1,377,106	155,124
Project #12	1,205,737	59,503	-	1,265,240	88,956
Project #13	344,253	-	-	344,253	21,560
Project #80	-	99,884	-	99,884	21,028
Project #99	-	(1,265)	-	(1,265)	(1,265)
Total	4,718,017	1,443,972	-	6,161,989	711,320
SEWER USE CHARGES:					
Project #1	88,010	706,842	-	794,852	743,871
Project #2	11,394	234,455	-	245,849	230,504
Project #3	18,924	280,388	-	299,312	293,173
Project #4	27,023	271,410	-	298,433	267,745
Project #5	13,295	195,960	3,197	212,452	197,224
Project #6	516	16,221	-	16,737	15,622
Project #7	1,276	9,568	-	10,844	8,671
Project #8	516	16,071	-	16,587	16,288
Project #9	(5)	28,330	-	28,325	28,325
Project #10	6,682	57,259	-	63,941	60,270
Project #11	6,526	64,360	(299)	70,587	64,741
Project #12	1,375	33,957	-	35,332	33,151
Project #13	-	3,887	-	3,887	3,887
Total	175,532	1,918,708	2,898	2,097,138	1,963,472
CARRYING CHARGES					
Project #3	248	1,935	-	2,183	1,939
Project #4	230	4,547	-	4,777	5,154
Project #5	290	1,903	-	2,193	2,193
Project #6	26	111	-	137	98
Project #7	7,980	2,330	-	10,310	1,707
Project #8	693	11,804	-	12,497	12,250
Project #9	6,133	27,082	-	33,215	26,743
Project #10	9,320	41,595	-	50,915	43,591
Project #11	16,715	73,870	-	90,585	75,713
Project #12	6,155	54,271	-	60,426	53,118
Project #13	-	15,491	-	15,491	15,491
Total	47,790	234,939	-	282,729	237,997
SHERWOOD MILL POND					
	66,614	-	(1,925)	64,689	14,617
Total	66,614	-	(1,925)	64,689	14,617
	\$ 5,007,953	\$ 3,597,619	\$ 973	\$ 8,606,545	\$ 2,927,406

		Balance	
Refunds		Charges	Uncollected
		Waived	June 30, 2006
\$	-	\$	-
	-		119,328
	-		42,316
	-		44,421
	-		661,721
	-		507,420
	-		1,387
	-		26,789
	-		156,670
	-		435,222
	-		655,580
	-		1,221,982
	-		1,176,284
	-		322,693
	-		78,856
	-		-
	-		5,450,669
	-		50,981
	-		15,345
	-		6,139
	-		30,688
	-		15,228
	-		1,115
	-		2,173
	-		299
	-		-
	-		3,671
	-		5,846
	-		2,181
	-		-
	-		133,666
	-		244
	-		(377)
	-		-
	-		39
	-		8,603
	-		247
	-		6,472
	-		7,324
	-		14,872
	-		7,308
	-		-
	-		44,732
	-		50,072
	-		50,072
\$	-	\$	-
	-		5,679,139

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Statistical Section

Statistical Section

This part of the Town of Westport, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 97

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 106

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 114

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 122

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 126

TOWN OF WESTPORT CONNECTICUT

Net Assets By Component (amounts in \$000's)

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
Invested in capital assets, net of related debt					
Restricted	107,638	112,345	114,566	116,904	145,846
Unrestricted	45,534	44,185	50,781	57,936	43,258
Total governmental activities					
net assets	\$ 153,172	\$ 156,530	\$ 165,347	\$ 174,840	\$ 189,104

GASB Statement No. 34 Implemented in Fiscal Year 2002

Source: Town CAFR.

TOWN OF WESTPORT CONNECTICUT

Changes In Net Assets

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses:					
Governmental activities:					
General Government	\$ 7,589,066	\$ 5,457,409	\$ 7,968,215	\$ 10,578,056	\$ 9,578,299
Education	71,905,892	77,742,983	87,973,022	91,603,615	98,379,924
Public safety	17,336,555	17,681,452	17,189,469	17,793,738	18,217,392
Public works	7,756,440	14,353,685	12,341,834	13,527,504	14,433,874
Public Health	433,824	411,412	423,529	436,124	449,097
Human Services	1,048,404	1,172,228	1,326,081	1,218,509	1,377,170
Library	3,261,892	3,366,414	3,548,942	3,651,598	3,774,015
Parks and recreation	4,624,559	4,628,100	4,939,551	4,884,069	4,946,083
Interest on long-term debt	5,454,064	1,576,276	1,415,937	1,532,186	1,710,093
Total governmental activities expenses	119,410,696	126,389,959	137,126,580	145,225,399	152,865,947
Program revenue:					
Charges for services:					
General Government	3,143,074	3,682,323	4,824,791	5,372,582	4,804,010
Education	6,061,786	5,850,706	5,974,481	6,144,753	8,956,477
Public safety	1,803,501	2,080,628	2,337,513	2,575,690	2,884,667
Public works	149,692	158,368	185,228	597,533	1,546,324
Human Services	2,100	-	-	-	-
Parks and recreation	3,551,509	3,333,952	3,473,490	3,638,076	3,759,047
Operating grants and contributions:					
General Government	1,020,840	1,344,580	1,378,640	1,376,913	1,369,154
Education	635,206	1,126,525	1,179,206	1,404,301	1,470,077
Public safety	154,213	317,142	334,080	91,801	105,008
Public works	-	210,936	23,568	166,785	292,508
Human services	22,258	21,466	21,485	22,042	22,131
Parks and recreation	5,442	-	1,550	-	-
Capital grants and contributions:					
General Government	100,000	-	864,764	238,202	4,156,661
Education	2,548,876	1,441,479	3,050,558	5,201,524	2,153,502
Public safety	-	-	-	-	-
Public works	225,590	104,671	82,957	130,764	445,452
Public Health	-	-	-	-	-
Human Services	-	500,000	500,000	-	-
Total governmental activities program revenue	19,424,087	20,172,776	24,232,311	26,960,966	31,965,018
Net expense:					
Governmental activities	(99,986,609)	(106,217,183)	(112,894,269)	(118,264,433)	(120,900,929)

TOWN OF WESTPORT CONNECTICUT

Changes In Net Assets, Continued

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
General revenues and other changes					
in net assets:					
Property taxes	97,312,479	106,845,615	119,056,374	123,861,301	131,735,933
Grants and contributions not restricted to					
specific programs	3,018,068	2,239,464	1,962,855	2,277,121	1,972,129
Investment earnings	2,457,585	1,160,965	1,205,179	-	
Loss on disposal	-	(670,348)	(513,534)	1,619,190	1,457,328
Total governmental activities					
general revenue	102,788,132	109,575,696	121,710,874	127,757,612	135,165,390
Changes in Net Assets:	2,801,523	3,358,513	8,816,605	9,493,179	14,264,461
Governmental activities	\$ 2,801,523	\$ 3,358,513	\$ 8,816,605	\$ 9,493,179	\$ 14,264,461

TOWN OF WESTPORT CONNECTICUT

Program Revenues by Function/Program

Last Five Fiscal Years*

(accrual basis of accounting)

Function / Program	Fiscal Year				
	2002	2003	2004	2005	2006
Primary government:					
General Government	\$ 4,263,914	\$ 5,026,903	\$ 7,068,195	\$ 6,987,697	\$ 10,329,825
Education	9,245,868	8,418,710	10,204,245	12,750,578	12,580,056
Public safety	1,957,714	2,397,770	2,671,593	2,667,491	2,989,675
Public works	375,282	473,975	291,753	895,082	2,284,284
Human Services	24,358	521,466	521,485	22,042	22,131
Library	-	-	-	-	3,759,047
Parks and recreation	3,556,951	3,333,952	3,475,040	3,638,076	-
Total governmental activities					
program revenue	<u>\$ 19,424,087</u>	<u>\$ 20,172,776</u>	<u>\$ 24,232,311</u>	<u>\$ 26,960,966</u>	<u>\$ 31,965,018</u>

Source: Town CAFR

GASB Statement No. 34 implemented in fiscal year 2002.

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TOWN OF WESTPORT CONNECTICUT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	1997	1998	1999	2000
General Fund:				
Reserved	\$ 7,715,206	\$ 7,888,045	\$ 9,727,388	\$ 9,783,680
Unreserved	9,725,344	11,866,522	14,902,319	14,233,616
Total General Fund	\$ 17,440,550	\$ 19,754,567	\$ 24,629,707	\$ 24,017,296
All Other Governmental Funds:				
Reserved	\$ 138,284	\$ 11,016,414	\$ 13,309,078	\$ 36,320,912
Unreserved, reported in:				
Special revenue funds	2,912,475	2,858,863	2,410,891	3,073,385
Debt service funds	-	-	-	1,975,650
Capital projects funds	1,921,038	(2,467,623)	(14,598,370)	(38,246,950)
Permanent fund	99,890	57,441	56,831	1,629
Total all other government funds	\$ 5,071,687	\$ 11,465,095	\$ 1,178,430	\$ 3,124,626

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 7,353,374	\$ 2,952,216	\$ 3,360,600	\$ 4,736,196	\$ 5,414,238	\$ 6,787,491
11,531,958	12,397,130	10,259,259	11,225,239	12,869,982	11,889,515
\$ 18,885,332	\$ 15,349,346	\$ 13,619,859	\$ 15,961,435	\$ 18,284,220	\$ 18,677,006
\$ 5,646,155	\$ 9,041,052	\$ 14,435,386	\$ 44,275,606	\$ 44,835,997	\$ 21,185,851
3,196,890	3,471,938	3,051,206	3,068,128	4,645,164	5,493,908
1,639,171	1,911,953	2,699,642	2,324,452	3,617,937	2,975,179
(1,133,362)	1,822,449	20,953,658	(35,496,494)	(31,627,218)	(24,782,912)
1,629	16,897	16,897	16,897	16,897	16,897
\$ 9,350,483	\$ 16,264,289	\$ 41,156,789	\$ 14,188,589	\$ 21,488,777	\$ 4,888,923

TOWN OF WESTPORT CONNECTICUT

**Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	1997	1998	1999	2000
Revenues:				
Property taxes, interest and liens, net	\$ 70,837,592	\$ 72,717,201	\$ 77,474,022	\$ 82,503,001
Intergovernmental	5,105,637	3,832,306	6,737,092	6,362,410
Charges for services	1,520,429	916,889	4,155,797	3,332,996
Interest and dividends	2,073,263	2,695,799	2,936,211	2,995,031
Other	8,996,634	13,859,705	11,808,115	14,511,786
Total revenues	88,533,555	94,021,900	103,111,237	109,705,224
Expenditures:				
General Government	3,588,290	4,015,676	5,317,486	4,742,567
Public safety	10,855,996	11,770,044	11,603,799	12,252,997
Public works	7,374,894	7,613,278	8,613,004	7,688,666
Public health	352,808	365,034	375,872	380,767
Human services	504,675	701,587	614,003	562,886
Library	2,326,124	2,373,152	2,439,546	2,616,947
Parks and recreation	2,321,710	2,705,274	2,849,477	3,054,783
Education	46,891,169	50,126,858	52,969,247	58,919,693
Other	7,845,930	5,832,298	5,117,475	5,105,765
Capital outlay	9,533,585	14,429,026	32,684,989	29,848,639
Debt service:				
Principal	1,140,000	1,834,495	1,464,865	2,600,000
Interest and other charges	934,871	927,575	1,163,276	4,183,616
Total expenditures	93,670,052	102,694,297	125,213,039	131,957,326
Excess of revenues (under) expenditures	(5,136,497)	(8,672,397)	(22,101,802)	(22,252,102)
Other financing sources (uses):				
Transfers in	2,475,222	3,230,826	2,849,500	4,461,743
Transfers out	(2,474,917)	(3,230,551)	(580,757)	(4,461,525)
Issuance of long-term debt	18,910,000	-	16,690,000	23,650,000
Proceeds of refunding bonds	-	-	-	14,160,000
Payment to refunded bond escrow agent	-	-	-	(14,207,434)
Premium (discount) on long-term debt	-	-	-	-
Total other financing sources (uses)	18,910,305	275	18,958,743	23,602,784
Net changes in fund balance	\$ 13,773,808	\$ (8,672,122)	\$ (3,143,059)	\$ 1,350,682
Debt service as a percentage of noncapital expenditures	2.5%	3.2%	2.9%	7.1%

Fiscal Year					
2001	2002	2003	2004	2005	2006
\$ 86,392,627	\$ 95,154,436	\$ 102,751,594	\$ 114,641,421	\$ 121,001,803	\$ 126,695,262
7,558,718	5,755,087	4,764,697	7,025,221	7,855,848	10,180,367
2,187,441	4,339,069	4,736,018	4,891,213	5,377,348	5,890,472
3,042,234	1,685,856	1,124,070	1,171,923	1,534,717	1,278,005
18,204,972	16,646,796	17,206,609	17,825,732	19,945,476	22,005,740
117,385,992	123,581,244	130,582,988	145,555,510	155,715,192	166,049,846
4,618,385	4,684,960	5,630,980	7,943,478	5,492,124	5,779,470
12,983,469	13,792,800	13,668,339	14,132,320	13,949,133	14,974,359
8,757,925	8,376,698	8,389,036	8,616,639	9,771,595	10,936,896
398,641	433,824	411,412	423,529	436,124	449,097
625,874	666,361	736,888	780,471	791,203	928,662
2,788,926	2,886,526	2,987,656	3,165,258	3,292,008	3,447,396
3,356,755	3,404,080	3,354,424	3,517,889	3,562,901	3,769,340
65,878,771	69,243,565	69,909,013	77,823,624	82,111,476	88,987,874
5,747,320	6,622,471	7,228,520	7,500,819	9,115,590	9,265,366
32,486,759	26,990,529	14,539,228	31,882,835	42,133,902	37,360,753
4,485,000	5,437,600	6,915,000	8,050,000	8,915,000	10,270,000
4,664,483	5,474,978	5,928,806	6,345,271	7,326,017	7,792,701
146,792,308	148,014,392	139,699,302	170,182,133	186,897,073	193,961,914
(29,406,316)	(24,433,148)	(9,116,314)	(24,626,623)	(31,181,881)	(27,912,068)
4,149,739	2,560,809	2,899,851	5,252,517	3,162,981	2,614,886
(4,149,530)	(2,590,109)	(2,899,851)	(5,252,517)	(3,162,981)	(2,614,886)
30,500,000	27,825,000	32,045,000	-	39,940,000	11,705,000
-	-	44,730,000	-	-	-
-	-	(48,857,408)	-	-	-
-	-	4,361,735	-	864,854	-
30,500,209	27,795,700	32,279,327	-	40,804,854	11,705,000
\$ 1,093,893	\$ 3,362,552	\$ 23,163,013	\$ (24,626,623)	\$ 9,622,973	\$ (16,207,068)
8.7%	9.9%	11.4%	11.6%	12.6%	13.0%

TOWN OF WESTPORT CONNECTICUT

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
1997	n/a	n/a	n/a	\$ 69,412,378
1998	n/a	n/a	n/a	70,303,453
1999	n/a	n/a	n/a	75,567,024
2000	n/a	n/a	n/a	81,095,031
2001	n/a	n/a	n/a	85,252,750
2002	n/a	n/a	n/a	93,745,150
2003	n/a	n/a	n/a	101,646,031
2004	105,789,192	2,328,034	5,036,963	113,154,189
2005	110,027,984	2,512,436	5,926,843	118,467,263
2006	116,003,174	2,545,936	6,336,320	124,885,430
Change 2004-2006	9.66%	9.36%	25.80%	10.37%

Source: Town Tax Office

n/a: Information not available.

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TOWN OF WESTPORT, CONNECTICUT

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property
1997	\$ 2,068,660,178	\$ 605,556,418	\$ 617,550	\$ 62,221,190	\$ 117,852,692
1998	2,095,880,088	610,277,768	617,550	53,568,980	121,726,788
1999	2,124,942,698	604,842,658	770,370	49,579,730	129,998,110
2000	2,143,475,058	608,392,028	-	45,513,080	132,750,722
2001	4,329,641,400	694,427,900	-	28,726,700	136,787,599
2002	4,474,623,200	842,182,400	-	30,432,400	134,806,617
2003	4,505,369,500	679,535,200	-	28,916,000	148,949,231
2004	4,586,423,006	676,699,800	-	27,885,100	134,850,106
2005	4,676,605,410	694,643,210	-	24,010,200	136,130,010
2006	4,808,448,212	681,905,830	-	69,645,000	130,420,696

Source: Assessor's Office

n/a: Information not available.

Motor Vehicle	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
\$ 190,364,561	\$ 3,045,272,589	n/a	n/a	\$ 4,350,389,413	70.00%
197,480,566	3,079,551,740	0.01	n/a	4,399,359,629	70.00%
207,122,308	3,117,255,874	0.01	n/a	4,453,222,677	70.00%
225,386,702	3,155,517,590	0.01	n/a	4,507,882,271	70.00%
245,718,666	5,435,302,265	0.72	n/a	7,764,717,521	70.00%
263,606,359	5,745,650,976	0.06	n/a	8,208,072,823	70.00%
271,397,174	5,634,167,105	(0.02)	n/a	8,048,810,150	70.00%
274,873,192	5,700,731,204	0.01	n/a	8,143,901,720	70.00%
268,720,359	5,800,109,189	0.02	n/a	8,285,870,270	70.00%
288,870,284	5,979,290,022	0.03	n/a	8,541,842,889	70.00%

TOWN OF WESTPORT CONNECTICUT

Principal Property Taxpayers Current Year and Nine Years Ago (Unaudited)

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Nayala Farms, Inc.	\$ 88,290,757	1	0.85%	\$ -	-	-
Connecticut Light & Power	27,577,870	2	0.27%	18,313,630	3	0.59%
5557 Greens Farm, LLC	25,272,000	3	0.24%	-	-	-
Riverside Office 285 & 355 LLC	24,782,100	4	0.24%	-	-	-
Roseville Estates, Inc.	24,351,300	5	0.23%	9,640,330	10	0.31%
Cedar Point Yatch Club Inc.	21,150,400	6	0.20%	-	-	-
Bylas Irving Irrevocable Trust	19,115,900	7	0.18%	-	-	-
Juster Howard	17,144,000	8	0.16%	-	-	-
Pre/Wright St LLC	16,968,400	9	0.16%	-	-	-
Westport Retail Co-Investors LLC	16,338,500	10	0.16%	-	-	-
State Street Bank & Trust	-	-	-	50,082,060	1	1.61%
Teachers Insurance Association	-	-	-	25,210,100	2	0.81%
Tauk Tours Inc	-	-	-	17,713,590	4	0.57%
Bridgeport Hydraulic	-	-	-	16,505,046	5	0.53%
Westport Office Company	-	-	-	16,329,930	6	0.52%
Stauffer Management Company	-	-	-	14,224,510	7	0.46%
Westport View Corporate Center	-	-	-	11,370,240	8	0.36%
AIG Financial Products	-	-	-	10,452,440	9	0.34%
Total	\$ 280,991,227		2.69%	\$ 189,841,876		5.77%

Source: Town Records

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TOWN OF WESTPORT CONNECTICUT

Property Tax Levies And Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1997	1995	\$ 71,540,715	\$ 69,412,378	97.02%
1998	1996	71,898,373	70,303,453	97.78%
1999	1997	76,921,897	75,567,024	98.24%
2000	1998	82,547,614	81,095,031	98.24%
2001	1999	86,337,790	85,252,750	98.74%
2002	2000	95,134,094	93,745,150	98.54%
2003	2001	103,068,764	101,369,885	98.35%
2004	2002	115,443,952	113,154,189	98.02%
2005	2003	120,636,091	118,467,264	98.20%
2006	2004	126,849,557	124,885,430	98.45%

Source: Town Tax Records

n/a: Information not available.

Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy
\$	2,000,761	\$ 71,413,239	99.82%
	1,467,344	71,770,797	99.82
	1,260,656	76,827,680	99.88
	1,343,237	82,438,268	99.87
	887,849	86,140,599	99.77
	1,075,704	94,820,854	99.67
	1,214,402	102,584,287	99.53
	1,521,484	114,675,673	99.33
	1,404,780	119,872,044	99.37
n/a		n/a	n/a

TOWN OF WESTPORT CONNECTICUT

Ratios of Net General Bonded Debt Outstanding by Type Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Net Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
1997	\$ 27,090,000	\$ -	27,090,000	0.623%	1,120.72
1998	25,120,000	-	25,120,000	0.564%	1,037.12
1999	57,245,000	-	57,245,000	1.271%	2,359.74
2000	78,765,000	-	78,765,000	1.749%	3,052.20
2001*	104,780,000	-	104,780,000	1.351%	3,951.87
2002	127,170,000	1,911,953	125,258,047	1.588%	4,786.14
2003	152,710,000	2,699,642	150,010,358	1.864%	5,699.48
2004	144,660,000	2,324,452	142,335,548	1.743%	5,358.21
2005	175,685,000	3,617,937	172,067,063	2.079%	6,477.45
2006*	177,120,000	2,975,179	174,144,821	1.172%	6,555.67

* Revaluation

Total Primary Government	Percentage of Per Capita Income	Per Capita
27,090,000	0.004%	1,120.72
25,120,000	0.004%	1,037.12
57,245,000	0.004%	2,359.74
78,765,000	0.004%	3,052.20
104,780,000	0.004%	3,951.87
125,258,047	0.004%	4,786.14
150,010,358	0.004%	5,699.48
142,335,548	0.004%	5,358.21
172,067,063	0.004%	6,477.45
174,144,821	0.004%	6,555.67

TOWN OF WESTPORT CONNECTICUT

**Direct Governmental Activities Debt
For the Year Ended June 30, 2006
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 177,120,000
Less school construction grants receivable - principal portion only	<u>(3,703,151)</u>
Total direct debt	<u><u>\$ 173,416,849</u></u>

Sources: Town records

Note: The Town is not subject to the debt of overlapping governments.

Note: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

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TOWN OF WESTPORT CONNECTICUT

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	1997	1998	1999	2000
Debt limit	\$ 981,016	\$ 1,007,181	\$ 1,087,958	\$ 1,389,230
Total net debt applicable to limit	27,090	25,120	57,245	80,895
Legal debt margin	953,926	982,061	1,030,713	1,308,335
Total net debt applicable to the limit as a percentage of debt limit	2.840%	2.558%	5.554%	6.183%

2001		2002		2003		2004		2005		2006
\$	1,456,575	\$	1,605,275	\$	1,725,527	\$	1,943,305	\$	2,035,692	\$ 2,140,145
	99,568		123,140		145,874		143,536		174,172	174,167
	1,357,007		1,482,135		1,579,653		1,799,769		1,861,520	1,965,978
7.337%		8.308%		9.235%		7.975%		9.356%		8.859%

TOWN OF WESTPORT CONNECTICUT

**COMPUTATION OF LEGAL DEBT LIMITATION
June 30, 2006**

Total tax collections (including interest and lien fees) for the year ended June 30, 2006	\$ 127,767,157
Reimbursement for revenue loss:	
Tax relief for elderly	<u>2,666</u>
Base	<u>\$ 127,769,823</u>
Debt limit	<u><u>\$ 894,388,761</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 287,482,102	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	574,964,204	-	-	-
3-3/4 times base	-	-	479,136,836	-	-
3-1/4 times base	-	-	-	415,251,925	-
3 times base	-	-	-	-	383,309,469
Total debt limitation	<u>287,482,102</u>	<u>574,964,204</u>	<u>479,136,836</u>	<u>415,251,925</u>	<u>383,309,469</u>
Debt as defined by statute:					
Bonds payable	27,647,750	141,459,300	8,012,950	-	-
Bond anticipation notes payable	750,000	-	13,464,171	-	-
Capital leases	-	-	-	-	-
Bonds authorized but not issued, issue dates not yet established	2,278,341	1,989,687	9,970,205	-	-
Construction grants	-	(3,703,151)	-	-	-
Total indebtedness	<u>30,676,091</u>	<u>139,745,836</u>	<u>31,447,326</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 256,806,011</u></u>	<u><u>\$ 435,218,368</u></u>	<u><u>\$ 447,689,510</u></u>	<u><u>\$ 415,251,925</u></u>	<u><u>\$ 383,309,469</u></u>

TOWN OF WESTPORT CONNECTICUT

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	2,633,605	1,355,077	1,278,528	785,050	436,320	57,158
2004	2,813,059	1,689,808	1,123,251	606,500	362,140	154,611
2005	2,802,051	1,447,814	1,354,237	773,900	373,065	207,272
2006	3,290,784	1,617,336	1,673,448	789,950	507,602	375,896

TOWN OF WESTPORT CONNECTICUT

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30	Population*	Per Capita Income**	Median Age**	School Enrollment	Unemployment(*) Rate
1997	24,172	\$ 45,640	41.4	4,183	2.7%
1998	24,221	45,640	41.4	4,348	1.9%
1999	24,259	45,640	41.4	4,555	2.0%
2000	25,806	73,664	39.4	4,811	1.0%
2001	26,514	73,664	39.4	5,007	2.2%
2002	26,171	73,664	39.4	5,124	3.6%
2003	26,320	73,664	39.4	5,225	4.0%
2004	26,564	73,664	39.4	5,281	3.8%
2005	n/a	73,664	39.4	5,460	3.8%
2006	n/a	73,664	39.4	5,532	3.4%

*State of Connecticut Dept of Health (July 1 Data)

** Source: Bureau of the Census.

n/a: Information not available.

TOWN OF WESTPORT CONNECTICUT

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2006			1997		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Westport Board of Education	894	1	N/A	542	1	N/A
Town of Westport	298	2	N/A	335	2	N/A
Save the Children Federation	276	3	N/A	180	5	N/A
Met Life	250	4	N/A	-	-	N/A
TBM Holding Inc.	220	5	N/A	-	-	N/A
Lifecare Inc.	200	6	N/A	-	-	N/A
Hall-Brook Foundation	200	7	N/A	250	3	N/A
Allied Domecq north America	200	8	N/A	-	-	N/A
Playtex Marketing	200	9	N/A	110	8	N/A
Shoreline Life Care LLC	180	10	N/A	-	-	N/A
Philbro Energy	-	-	N/A	220	4	N/A
Marketing Corp of America	-	-	N/A	150	6	N/A
Mediplex	-	-	N/A	130	7	N/A
Ryan Partnership	-	-	N/A	110	9	N/A
Greenwood Press	-	-	N/A	100	10	N/A

Sources: Westport/Weston Chamber of Commerce

N/A - Not Available

TOWN OF WESTPORT CONNECTICUT

Full-Time Equivalent Town Government Employees By Functions/Programs Last Ten Fiscal Years (Unaudited)

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2006	2005	2004	2003	2002
Governmental Services:					
Selectmans Office	4	4	4	4	4
Town Clerk	5	5	5	5	5
Finance	11	11	11	10	13
Information Technology	4	3	3	3	3
Legal	1	1	1	1	1
Building Department	5	5	5	5	5
Personnel	3	3	3	3	3
Planning & Zonig	8	8	8	8	8
Conservation	4	4	4	4	4
Human Services	9	9	9	9	10
Assessor	7	6	6	6	6
Tax collector	5	5	5	5	5
Registrar	1	1	1	1	1
Parks and Recreation:					
General & Administrative	8	8	8	8	8
Program managers	2	2	2	2	2
Field Maintenance	4	4	4	4	4
Park Maintenance	3	3	3	3	3
Maintenance & development	5	5	5	5	5
Golf Course(s)	7	7	7	7	7
Boating	1	1	1	1	1
Police:					
Officers	67	64	69	70	70
Civilians	17	16	15	18	17
Fire:					
Firefighters and Officers	55	56	56	58	56
Civilians	8	8	8	8	8
Public Works:					
Engineering	11	11	11	11	11
Highway	18	18	18	18	18
Equipment Maintenance	2	2	2	2	2
Solid waste disposal	4	4	4	4	4
Building Maintenance	6	6	6	6	6
Custodians	7	7	6	6	6
Sewage treatment	5	4	4	5	5
Sewage collection	3	3	3	3	3
Other Programs/Functions:					
Library	49	49	49	50	50
Total	\$ 349	\$ 343	\$ 346	\$ 353	\$ 354

Full-Time Equivalent Employees as of June 30				
2001	2000	1999	1998	1997
4	4	4	4	4
5	5	5	5	5
12	12	12	12	12
3	3	3	3	3
1	1	1	1	1
5	5	4	4	4
3	3	3	3	3
8	8	8	8	8
4	4	4	4	4
10	10	10	10	10
6	6	6	6	6
5	5	5	5	5
1	1	1	1	1
8	8	8	8	8
2	2	2	2	2
4	4	4	4	4
3	3	3	3	3
5	5	5	5	5
7	7	7	7	7
1	1	1	1	1
67	62	65	63	63
17	17	15	17	17
54	54	53	54	55
8	8	8	8	8
11	11	11	11	11
18	19	18	18	18
2	2	2	2	2
4	4	4	4	4
6	6	6	6	6
6	6	6	6	6
5	5	5	5	5
3	3	3	3	3
48	44	40	41	41
\$ 346	\$ 338	\$ 332	\$ 334	\$ 335

TOWN OF WESTPORT CONNECTICUT

Operating Indicators By Function/Program Last Ten Calendar Years (Unaudited)

Function/Program	Calendar Year				
	1997	1998	1999	2000	2001
Police:					
Calls for service	20,957	20,576	20,928	20,951	21,690
Adult arrest	691	685	744	770	784
Juvenile arrest	29	48	29	39	31
Speeding citations only	778	961	1,190	1,180	1,427
Traffic citations	2,160	1,967	2,241	2,252	2,416
EMS Patients	1,994	1,845	2,035	2,075	2,029
Fire:					
Total fire runs	3,081	3,156	3,539	3,537	3,685
Property loss	\$ 757,092	\$ 672,421	\$ 1,556,136	\$ 1,446,647	\$ 481,008
Building safety:					
Total building permits	2,992	2,132	2,877	2,998	3,841
Total value all permits (\$000)	\$ 72,798	\$ 68,389	\$ 58,945	\$ 97,891	\$ 101,369
Library, volumes in collection	194,301	188,595	197,809	202,068	209,302
Public works:					
Solid waste collected (ton)	13,530	13,709	14,063	15,641	23,308
Recycle collected (ton)	7,273	5,745	4,827	5,533	3,926
Parks and Recreation:					
Recreation program attendance	4,208	5,816	6,216	6,531	6,405
Aquatics program attendance	713	898	907	846	676
Golf rounds played	49,270	51,573	47,935	43,847	47,673

Source: Town Records

n/a: Information not available.

Calendar Year				
2002	2003	2004	2005	2006
21,796	21,671	20,837	19,646	n/a
853	841	796	701	n/a
25	32	46	23	n/a
1,290	901	550	403	n/a
2,705	2,746	2,448	2,196	n/a
2,031	2,156	2,005	2,250	2,200
3,515	2,554	3,198	3,578	2,721
\$ 1,312,360	\$ 465,326	\$ 222,955	\$ 263,076	\$ 438,125
3,903	3,974	4,296	4,268	3,980
\$ 108,808	\$ 145,064	\$ 180,867	\$ 155,988	\$ 134,279
217,372	220,889	226,703	220,819	224,235
16,411	16,314	16,735	16,974	18,735
3,998	5,068	5,518	6,217	6,792
6,672	5,933	6,059	6,684	n/a
657	663	697	710	n/a
44,105	39,914	41,769	38,992	n/a

TOWN OF WESTPORT CONNECTICUT

Capital Asset Statistics By Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	1997	1998	1999	2000	2001
Police:					
Stations	1	1	1	1	1
Fire, Fire Stations	4	4	4	4	4
Public Works:					
Public Works Vehicles	53	53	52	52	51
Streets (Miles)	123	123	123	123	123
Traffic Signals	2	2	2	2	2
Parks & Recreation:					
Acreage	400	400	400	400	400
Parks	20	20	20	20	21
Golf Course	1	1	1	1	1
Baseball/Softball Diamonds	21	21	21	21	21
Soccer/Football Fields	10	10	10	10	12
Basketball Courts	2	2	2	2	2
Tennis Courts	26	26	26	26	26
Swimming pools	2	2	2	2	2
Parks with Playground Equipment	4	4	4	4	4
Picnic Shelters	2	2	2	2	2
Library:					
Facilities	1	1	1	1	1
Volumes	194,301	188,595	197,809	202,068	209,302
Wastewater:					
Sanitary Sewers (miles)	59	62	62	65	67
Storm Sewers (miles)	44	44	44	44	44
Combination Sanitary and Storm (miles)	103	106	106	109	111

Source: Town Records

n/a: Information not available.

2002	2003	2004	2005	2006
1	1	1	1	1
4	4	4	4	4
50	50	50	50	50
123	123	123	124	124
2	2	2	2	2
400	419	419	419	419
21	22	22	22	22
1	1	1	1	1
21	22	22	24	24
12	12	12	12	12
2	2	2	2	2
26	26	23	23	23
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
217,372	220,889	226,703	220,819	224,235
69	70	72	73	74
44	44	44	44	44
113	114	116	117	118